

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Leonard M. Shulman – Bar No. 126349 Lynda T. Bui – Bar No. 201002 Rika M. Kido – Bar No. 273780 SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: lshulman@shbllp.com; lbui@shbllp.com; rkido@shbllp.com <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Sam S. Leslie, Chapter 7 Trustee	FOR COURT USE ONLY
---	--------------------

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION	
In re: JENNIE A. SANTAMARIA aka JENNIE A. ANDERSON, Debtor(s).	CASE NO.: 2:11-bk-27348-BB CHAPTER: 7 NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 06/10/2015	Time: 10:00 am
Location: United States Bankruptcy Court, Courtroom 1475, 255 E. Temple St., Los Angeles, CA 90012	

Type of Sale: ☒ Public ☐ Private **Last date to file objections:** 05/27/2015

Description of property to be sold: Any rights and interests the Estate holds in (1) the September Trust, (2) Harvest Wordwide, LLC, and (3) Summitt Oil & Gas, Inc. See attached Settlement Motion (defined below) for further details.

Terms and conditions of sale:

See attached (1) Notice of Continued Hearing and Revised Overbid Procedures ("Notice"); and (2) Motion for Order: (1) Approving Compromise Under Rule 9019 Between the Bankruptcy Estate, E&N Financial Services & Development, Inc. and 36 Van Nuys, LLC, Subject to Overbids; (2) Approving Overbid Procedures; and (3) Granting Related Relief ("Settlement Motion").

Proposed sale price: \$ 50,000.00

Overbid procedure (if any): See Notice attached hereto for revised overbid procedures.

Overbids Due: 06/5/2015

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Rika M. Kido, Esq.
SHulman Hodges & Bastian LLP
100 Spectrum Center Drive, Suite 600
Irvine, California 92618
Telephone: (949) 340-3400
Email: rkido@shbllp.com

Date: 05/18/2015

Leonard M. Shulman – Bar No. 126349
Lynda T. Bui – Bar No. 201002
Rika M. Kido – Bar No. 273780
SHULMAN HODGES & BASTIAN LLP
100 Spectrum Center Drive, Suite 600
Irvine, California 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: lshulman@shbllp.com; lbui@shbllp.com
rkido@shbllp.com

Attorneys for Sam S. Leslie,
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

In re

JENNIE A. SANTAMARIA aka
JENNIE A. ANDERSON,

Debtor.

Case No. 2:11-bk-27348-BB

Chapter 7

**NOTICE OF CONTINUED HEARING OF
AND REVISED OVERBID PROCEDURES
FOR CHAPTER 7 TRUSTEE'S MOTION
FOR ORDER:**

**(1) APPROVING COMPROMISE UNDER
RULE 9019 BETWEEN THE
BANKRUPTCY ESTATE, E&N
FINANCIAL SERVICES &
DEVELOPMENT, INC. AND 36 VAN
NUYS, LLC, SUBJECT TO OVERBIDS;**

**(2) APPROVING OVERBID
PROCEDURES; AND**

(3) GRANTING RELATED RELIEF

Continued Hearing:

Date: June 10, 2015

Time: 10:00 a.m.

Place: Courtroom 1475

U.S. Bankruptcy Court
Edward R. Roybal Federal Building
255 East Temple Street
Los Angeles, CA 90012

1 **PLEASE TAKE NOTICE** that the hearing on the Chapter 7 trustee's Motion for Order:
2 (1) Approving Compromise Under Rule 9019 Between the Estate, E&N Financial Services &
3 Development, Inc. and 36 Van Nuys LLC, Subject to Overbids; (2) Approving Overbid
4 Procedures; and (3) Granting Related Relief ("Settlement Motion") has been continued to **June**
5 **10, 2015 at 10:00 a.m.** in Courtroom 1475.

6 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Court's tentative ruling
7 from the hearing on May 13, 2015, the overbid procedures provided for in the Settlement Motion
8 have been revised as follows:

9 ○ Subject to Overbids. In order to obtain the highest and best offer for the
10 benefit of the creditors of the Estate, the sale of the Estate's interest in the Undisclosed
Assets¹ shall be subject to the following overbid terms:

11 ▪ ***Potential overbidders must bid an initial amount of at least***
12 ***\$2,500.00 over the Purchase Price or \$52,500.00. Minimum bid increments***
13 ***thereafter shall be \$1,000.00.*** The Trustee shall have sole discretion in
determining which overbid is the best for the Estate and will seek approval from
the Court of the same.

14 ▪ Overbids must be in writing and be received by the Trustee and his
15 counsel, Rika M. Kido of Shulman Hodges & Bastian LLP three (3) business days
prior to the hearing on the Compromise Motion (defined below).

16 ▪ Overbids must be accompanied by a deposit ("Overbidder
17 Deposit") in the form of certified funds in the amount of at least Sixty-Five
Hundred Dollars (\$6,500.00) payable to Trustee.

18 ▪ The overbidder must also provide evidence of having sufficient
19 specifically committed funds to complete the transaction for the bid amount and
20 such other documentation relevant to the bidder's ability to qualify as the buyer
and ability to close the sale and immediately and unconditionally pay the winning
bid purchase price at closing.

21 ▪ The overbidder must seek to acquire the Estate's interest in the
22 Undisclosed Assets on terms and conditions not less favorable to the Estate than
the terms and conditions to which 36 Van Nuys has agreed to purchase the
23 Estate's interest in the Undisclosed Assets in the Agreement.

24 ▪ If one or more overbids are received, the final bidding round for
the Estate's interest in the Undisclosed Assets shall be held at the hearing on the
25 Compromise Motion (defined below) in order to allow all potential bidders the
opportunity to overbid and purchase the Estate's interest in the Undisclosed
26 Assets. At the final bidding round to be conducted before the Bankruptcy Court,
the Trustee will seek entry of an order, *inter alia*, authorizing and approving the
27 sale of the Estate's interest in the Undisclosed Assets to the bidder who the

28
¹ All capitalized terms have the meaning set forth in the Settlement Motion.

1 Trustee, in the exercise of his business judgment, may determine to have made the
2 highest and best offer to purchase the Estate's interest in the Undisclosed Assets,
3 consistent with the Bidding Procedures ("Successful Bidder"). The hearing on the
4 Compromise Motion may be adjourned or rescheduled without notice other than
5 by an announcement of the adjourned date at the hearing on the Compromise
6 Motion.

7
8 ▪ At the hearing on the Compromise Motion, the Trustee will seek
9 entry of an order, *inter alia*, authorizing and approving the sale of the Estate's
10 interest in the Undisclosed Assets to the Successful Bidder. The hearing on the
11 Compromise Motion may be adjourned or rescheduled without notice other than
12 by an announcement of the adjourned date at the hearing on the Compromise
13 Motion.

14 ▪ In the event the Successful Bidder fails to close on the sale of the
15 Estate's interest in the Undisclosed Assets within the time parameters approved
16 by the Court, the Trustee shall retain the Successful Bidder's Deposit and will be
17 released from his obligation to sell the Undisclosed Assets to the Successful
18 Bidder and the Trustee may then sell the Undisclosed Assets to the first back-up
19 bidder approved by the Court at the hearing on the Compromise Motion ("First
20 Back-Up Bidder").

21 ▪ In the event First Back-Up Bidder fails to close on the sale of the
22 Undisclosed Assets within the time parameters approved by the Court, the Trustee
23 shall retain the First Back-Up Bidder's Deposit and will be released from his
24 obligation to sell the Estate's interest in the Undisclosed Assets to the First Back-
25 Up Bidder and the Trustee may then sell the Estate's interest in the Undisclosed
26 Assets to the second back-up bidder approved by the Court at the hearing on the
27 Compromise Motion ("Second Back-Up Bidder").

28
Respectfully submitted,

SHULMAN HODGES & BASTIAN LLP

Dated: May 18, 2015

/s/ Rika M. Kido

Leonard M. Shulman

Lynda T. Bui

Rika M. Kido

Attorneys for Sam S. Leslie, Chapter 7 Trustee

for the bankruptcy estate of Jennie A. Santamaria aka

Jennie A. Anderson

Leonard M. Shulman – Bar No. 126349
Lynda T. Bui – Bar No. 201002
Rika M. Kido – Bar No. 273780
SHULMAN HODGES & BASTIAN LLP
100 Spectrum Center Drive, Suite 600
Irvine, California 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: lshulman@shbllp.com; lbui@shbllp.com
rkido@shbllp.com

Attorneys for Sam S. Leslie,
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

In re
JENNIE A. SANTAMARIA aka
JENNIE A. ANDERSON,
Debtor.

Case No. 2:11-bk-27348-BB

Chapter 7

**CHAPTER 7 TRUSTEE’S MOTION FOR
ORDER:**

**(1) APPROVING COMPROMISE UNDER
RULE 9019 BETWEEN THE
BANKRUPTCY ESTATE, E&N
FINANCIAL SERVICES &
DEVELOPMENT, INC. AND 36 VAN
NUYS, LLC, SUBJECT TO OVERBIDS;**

**(2) APPROVING OVERBID
PROCEDURES; AND**

(3) GRANTING RELATED RELIEF

**MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATIONS OF SAM
S. LESLIE AND RIKA M. KIDO IN
SUPPORT THEREOF**

[Request for Judicial Notice filed concurrently
herewith]

Hearing

Date: May 13, 2015

Time: 10:00 a.m.

Place: Courtroom 1475

U.S. Bankruptcy Court
Edward R. Roybal Federal Building
255 East Temple Street
Los Angeles, CA 90012

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS

I.	SUMMARY OF ARGUMENT	1
II.	RELEVANT FACTS	2
A.	Commencement of the Instant Bankruptcy.....	2
B.	Events Leading to E&N’s Judgment.....	2
C.	Claim No. 49 Filed by E&N Financial Services & Development, Inc. - \$1,091,119.70.....	3
D.	Settlement Agreement Between Estate and E&N.....	3
E.	Trustee’s Final Report and E&N’s Disclosure of Undisclosed Assets.....	4
F.	Settlement of the Claims.....	5
III.	ARGUMENT	9
A.	Upon Approval by the Court, a Trustee May Compromise a Claim of the Estate.....	9
B.	The Bankruptcy Court May Approve a Compromise is Fair and Equitable.....	9
1.	Probability of Success in Litigation.....	10
2.	Difficulties, if any, to be Encountered in the Matter of Collections.....	11
3.	The Complexity of the Litigation Involved, and the Expense, Inconvenience, and Delay Necessarily Attending It.....	11
4.	The Paramount Interest of the Creditors and the Proper Deference to the Reasonable Views.....	11
C.	The Court has the Authority to Approve the Bidding Procedures.....	12
1.	The Overbid Procedures are Untainted by Self-Dealing	13
2.	The Overbid Procedures Encourage Bidding and are Fair in Amount	13
3.	The Overbid Procedures are Fair, Reasonable and Serve the Best Interests of the Estate	13
V.	CONCLUSION.....	15
	DECLARATION OF SAM S. LESLIE.....	16
	DECLARATION OF RIKA M. KIDO.....	19

TABLE OF AUTHORITIES

CASES

<i>In re Carla Leather, Inc.</i> , 50 B.R. 764, 775 (S.D.N.Y. 1985).....	9
<i>In re Crown Corporation</i> , 679 F.2d 774 (9th Cir. 1982)	12
<i>In re Energy Cooperative, Inc.</i> , 886 F.2d 921, 927 (7th Cir. 1989)	9
<i>In re Walsh Construction, Inc.</i> , 669 F.2d 1325, 1328 (9th Cir. 1992)	9
<i>Martin v. Kale (In re A & C Properties)</i> , 784 F.2d 1377, 1380-81 (9th Cir. 1986)	9
<i>Martin v. Robinson</i> , 479 U.S. 854 (1986).....	9
<i>Woodson v. Fireman’s Fund Ins. Co. (In re Woodson)</i> , 839 F.2d 610, 620 (9th Cir. 1988)	9, 10

STATUTES

28 U.S.C. §157(b)(2)(A).....	9
28 U.S.C. §157(b)(2)(O).....	9
Bankruptcy Code Section 105(a)	12

RULES

Federal Rule of Bankruptcy Procedure, Rule 9019(a).....	9
---	---

1 **TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL OTHER**
3 **PARTIES IN INTEREST:**

4 Sam S. Leslie, the duly appointed, qualified and acting Chapter 7 trustee (“Trustee”) for
5 the bankruptcy estate (“Estate”) of Jennie A. Santamaria aka Jennie A. Anderson (“Debtor”)
6 brings this Motion for Order: (1) Approving Compromise Under Rule 9019 Between the Estate,
7 E&N Financial Services & Development, Inc. (“E&N”) and 36 Van Nuys LLC (“36 Van
8 Nuys”), Subject to Overbids; (2) Approving Overbid Procedures; and (3) Granting Related
9 Relief (“Settlement Motion”). In support thereof, the Trustee respectfully represents as follows:

10 **I. SUMMARY OF ARGUMENT**

11 Through the Settlement Motion, the Trustee requests approval of the Settlement
12 Agreement, a true and correct copy of which is attached as **Exhibit “2”** to the Declaration of
13 Sam S. Leslie (“Leslie Decl.”) attached hereto. As set forth below, the Trustee believes the
14 interests of the creditors and the Estate are best served if this Court approves the proposed
15 settlement under the four factors set forth by *A and C Properties*. The settlement resolves all
16 disputes, claims, demands and causes of action related to the Undisclosed Assets (defined
17 below). Further, so long as 36 Van Nuys is the successful bidder, the settlement also resolves the
18 E&N Allowed Claim (defined below). The Trustee believes, based on his independent
19 investigation and his sound business judgment that this settlement regarding the Undisclosed
20 Assets is in the best interest of the Estate and ensures that the Estate receives an immediate and
21 definite benefit in the form of \$50,000.00. The substantial time and resources it would take to
22 unwind the Estate’s interest, if any, in the Undisclosed Assets in a manner that would benefit
23 creditors of the Estate would exceed any additional benefit that might be achieved. Therefore,
24 based on the *A and C Properties*, and on the Trustee’s good business judgment, the Trustee
25 respectfully requests the Court approve the Settlement Motion.

26 ///

27 ///

28 ///

1 **II. RELEVANT FACTS**

2 **A. Commencement of the Instant Bankruptcy**

3 The Debtor initially filed a Chapter 11 bankruptcy case on April 21, 2011 in the United
4 States Bankruptcy Court for the Central District of California, Los Angeles Division
5 (“Bankruptcy Court”) as Case No. 2:11-bk-27348-BB. The Debtor’s Chapter 11 case was
6 converted to the instant Chapter 7 bankruptcy case on July 5, 2012. (See Declaration of Sam S.
7 Leslie (“Leslie Decl.”), ¶ 1)

8 Sam S. Leslie is the duly appointed, qualified and acting Chapter 7 Trustee for the
9 Debtor’s Estate. (See Leslie Decl., ¶ 4)

10 **B. Events Leading to E&N’s Judgment**

11 In or around 2000, the Debtor purportedly created the 1976 Dorchester Trust dated
12 September 5, 2000 (“Trust”). The Trust purchased the real property located at 617 Bedford
13 Drive, Beverly Hills, CA (“Bedford Property”) on or about December 7, 2006.

14 On May 5, 2006, E&N filed a complaint (“Complaint”) in the Los Angeles Superior
15 Court against Mark Anderson, the Debtor’s non-filing spouse (“Mr. Anderson”) for various
16 breach of contract and fraud related causes of action, commencing Case No. LC074590. The
17 Debtor was not named in the Complaint. On June 12, 2007, a money judgment was entered in
18 favor of E&N and against Mr. Anderson only (“Money Judgment”). (See Request for Judicial
19 Notice (“RJN”), Exhibit (“Ex.”) 1)

20 On July 12, 2007, E&N filed its First Amended Complaint in the Los Angeles County
21 Superior Court against Mr. Anderson and the Debtor, both individually and in her capacity as
22 trustee of the Trust, for creditor’s suit and to set aside a fraudulent transfer (“Creditor
23 Complaint”), commencing Case No. SC094371. On June 27, 2007, E&N recorded a lis pendens
24 against the Bedford Property relating to the Creditor Complaint. (RJN, Ex. 2)

25 ///

26 ///

27 ///

28

On January 8, 2010, the Court entered judgment (“Creditor Judgment”) in favor of E&N and against Mr. Anderson, the Debtor and the Trust, stating that Mr. Anderson has a “community property interest” in the Bedford Property and that such interest shall be applied to satisfy the earlier Money Judgment. (RJN, Ex. 3) On May 11, 2010, E&N filed an abstract of judgment relating to the Creditor Judgment. (RJN, Ex. 4)

C. Claim No. 49 Filed by E&N Financial Services & Development, Inc. - \$1,091,119.70

On September 27, 2011, E&N filed a proof of claim with the Bankruptcy Court which is shown on the Bankruptcy Court’s docket alleging a secured claim in the amount of \$1,091,119.70 (“E&N Claim”). The E&N Claim is not listed on the Bankruptcy Court’s Claims Register but is indicated on the Bankruptcy Court’s docket as Document No. 49. (RJN, Ex. 5) The basis for the E&N Claim is the Money Judgment and the Creditor Judgment.

On November 18, 2013, the Trustee filed a motion to disallow the E&N Claim (“Claim Objection”). The Court denied the Claim Objection pursuant to an order entered on February 26, 2014, at least in part, on the grounds that the Bedford Property is community property. (RJN, Ex. 6) The Parties agree that the debt owed to E&N is a separate debt of Mr. Anderson.

D. Settlement Agreement Between Estate and E&N

On April 3, 2014, the Trustee filed a Motion to Approve Settlement and Compromise of Disputes by and Between Chapter 7 Trustee and E&N Financial Services & Development, Inc. (Docket No. 350) (“E&N Settlement Motion”). The E&N Settlement Motion requested Court approval of the Settlement and Mutual General Release Agreement entered into between the Trustee and E&N dated March 10, 2014, a copy of which was attached to the E&N Settlement Motion (“E&N Agreement”). (RJN, Ex. 7)

Among the terms of the E&N Agreement, the Parties agreed that E&N would have an allowed unsecured claim of \$393,000.00 against the Estate (“E&N Allowed Claim”). E&N further agreed that it would subordinate the E&N Allowed Claim in an amount necessary to allow a ten percent (10%) distribution to general unsecured creditors in the instant bankruptcy case, assuming there were funds to pay general unsecured creditors. *Id.*

///

On May 19, 2014, the Court entered an order approving the E&N Settlement Motion (Docket No. 412). (RJN, Ex. 8)

E. Trustee's Final Report and E&N's Disclosure of Undisclosed Assets

On September 11, 2014, the Trustee's Final Report ("TFR") was filed (Docket No. 493). The TFR was scheduled for a hearing on October 29, 2014 at 2:00 p.m. (RJN, Ex. 9)

On October 13, 2014, counsel for E&N sent correspondence to the Trustee and the Trustee's counsel alleging substantial assets and disturbing irregularities which were not disclosed in the Debtor's case and which E&N believed, when fully investigated, could result in substantially more undisclosed assets and possibly result in funds available for creditors of the Estate ("E&N Correspondence"). (*See* Leslie Decl., Ex. 1)

Pursuant to the E&N Correspondence, E&N provided the following list of alleged assets, and which E&N contends due to ongoing investigation may just be the tip of the iceberg, and those, plus any and all other assets which are, may or potentially may constitute property of the estate (collectively, "Undisclosed Assets"), including:

- The September Trust, with assets of at least \$900,000.00, which is allegedly the Debtor's separate property.
- The Debtor's interest as the sole Member of Harvest Worldwide, LLC, which is the Debtor's separate property and had a value of at least \$200,000.00 in 2003.
- The Debtor's interest as the sole shareholder of Summitt Oil & Gas, Inc., which is the Debtor's separate property and had a value of at least \$200,000.00 in 2003.
- Failure of the Debtor to disclose on her Schedules, Amended Schedules or otherwise 2011 gross receipts of \$100,941.00 and net income of \$49,640.00 from the September Trust. Debtor's original Schedules showed her income as "\$0.00" and although Amended Schedules filed in September 7, 2012 disclosed annual rental income of \$66,000.00 and "Support From Family" of \$84,000.00 per year, none of the income from the September Trust was disclosed. *Id.*

///

///

1 The Trustee has been informed by the Debtor and her counsel that the Debtor denies
2 owning any interest in the Undisclosed Assets. Consistent with that assertion, the Debtor has
3 provided the Trustee with a declaration regarding the Undisclosed Assets. (*See* Leslie Decl., Ex.
4 2)

5 The Trustee and his counsel have spent hours conducting an independent investigation
6 into the existence and value of the Undisclosed Assets. The Trustee and his counsel are unable
7 to conclude that the Undisclosed Assets have significant value worth administering at this time.
8 Rather, they have concluded that it will take substantial time and resources to unwind the
9 Estate's interest, if any, in the Undisclosed Assets in a manner that would benefit creditors of the
10 Estate. (*See* Leslie Decl. ¶ 7)

11 On October 15, 2014, E&N filed its Limited Opposition to Trustee's Final Report and
12 Applications for Compensation and Deadline to Object ("E&N Limited Opp"). Pursuant to the
13 E&N Limited Opp, E&N disputed the allowance and payment of Proof of Claim No. 11 filed by
14 Deok Rye Yoon ("POC 11"). Other than its dispute regarding POC 11, E&N stated that it had
15 no further issues with the TFR and believed that the payments to the Trustee and the
16 professionals and the priority creditors was warranted and appropriate. (RJN, Ex. 10)

17 On October 29, 2014, the hearing on the TFR was held. The Trustee advised the Court of
18 the information he had received regarding the Undisclosed Assets. The Court granted the TFR in
19 part and approved administrative fees and expenses. The Court continued the hearing on the
20 TFR to allow the Trustee to investigate the Undisclosed Assets and advise the Court regarding
21 the status before the continued hearing. The Trustee has done that and the hearing on the TFR
22 has been continued to June 17, 2015 to allow the Trustee to work out an agreement with E&N
23 regarding the Undisclosed Assets and file an amended TFR. (*See* Leslie Decl. ¶ 8)

24 **F. Settlement of the Claims**

25 The Trustee, E&N and 36 Van Nuys (collectively the "Parties") desire to settle and
26 resolve any and all disputes, claims, demands and causes of action related to the E&N Allowed
27 Claim and the Estate's interest in the Undisclosed Assets without further time or expense and in
28 order to eliminate the need for costly litigation.

1 Subject to Court approval, the Parties entered into the Agreement, a true and correct copy
2 of which is attached as **Exhibit “3”** to the Leslie Decl. The principal terms of the Agreement are
3 as follows:

4 • 36 Van Nuy’s Purchase of the Estate’s Interest in the Undisclosed Assets. Subject
5 to the terms and conditions of this Agreement, on the Closing Date (defined below), the Trustee
6 shall sell, assign, transfer, convey and deliver to 36 Van Nuys, and 36 Van Nuys shall purchase,
acquire and accept from the Trustee, all of the Trustee’s rights, title and interest in the
Undisclosed Assets as specified herein, as of the Closing Date.

7 ○ Purchase Price. The purchase price which the Trustee agrees to accept
8 and 36 Van Nuys agrees to pay for the Undisclosed Assets is the sum of Fifty Thousand
Dollars (\$50,000.00) (the “Purchase Price”). The Purchase Price shall be paid as follows:

9 ■ Concurrent with the execution of this Agreement, 36 Van Nuys
10 shall pay to the Trustee, in immediately available funds, a good faith deposit of
Five Thousand Dollars (\$5,000.00) (“Good Faith Deposit”). The Good Faith
11 Deposit shall be made payable to “Sam S. Leslie, Chapter 7 Trustee for the
bankruptcy estate of Jennie A. Santamaria” and shall be mailed to the attention of
12 Sam S. Leslie, Chapter 7 Trustee, 3435 Wilshire Blvd., Suite 990, Los Angeles,
CA 90010. The Good Faith Deposit shall be held by the Trustee and shall only be
13 refundable if the Bankruptcy Court does not approve this Agreement or if there is
a successful overbidder other than 36 Van Nuys. If the Bankruptcy Court
14 approves this Agreement and 36 Van Nuys is the successful overbidder, the Good
Faith Deposit shall become property of the Estate. If the Bankruptcy Court does
15 not approve the Agreement, the Good Faith Deposit shall be immediately returned
by the Trustee to 36 Van Nuys.

16 ■ Within fourteen (14) days of the entry of the Approval Order, if 36
17 Van Nuys is the high bidder, 36 Van Nuys shall pay the Trustee the Forty-Five
Thousand Dollars and No Cents (\$45,000.00) or the balance of the Purchase Price
18 (“Purchase Price Balance”). The Purchase Price Balance shall be made payable
to “Sam S. Leslie, Chapter 7 Trustee for the bankruptcy estate of Jennie
19 Santamaria” and shall be mailed to the attention of Sam S. Leslie, Chapter 7
Trustee, 3435 Wilshire Blvd., Suite 990, Los Angeles, CA 90010.

20 ○ Closing. The closing of the transactions contemplated by this Agreement
21 (the “Closing Date”) shall take place and become effective within fourteen (14) days after
the Trustee’s receipt of the Purchase Price Balance from 36 Van Nuys or the total price
22 bid up by the Successful Bidder (defined below) or any back-up bidders. At the Closing
Date, the Trustee will deliver to 36 Van Nuys, 6360 Van Nuys Boulevard, Suite 204, Van
23 Nuys, CA 91401, a certified copy of the Order approving the Compromise Motion. The
certified copy of the order shall effectuate the transfer. No other document shall be
24 required.

25 ○ As Is/Where Is. The Trustee shall sell, transfer, convey and deliver to 36
26 Van Nuys the Estate’s interest in the Undisclosed Assets on an “As Is” and “Where Is”
basis, without any representations or warranties of any kind, except as expressly set forth
herein.

27 ///

28 ///

1 ○ Further Amendment of the Debtor's Schedules. As part of this
2 Agreement, the Trustee agrees to request that the Court determine that the Debtor is
3 enjoined from amending her Schedules to list and exempt the Undisclosed Assets or any
other assets that the Debtor has failed to list to date, all of which are being sold to 36 Van
Nuys as part of this Agreement.

4 ○ Application of the Debtor's Discharge Injunction. As part of this
5 Settlement Agreement, the Trustee agrees to request that the Court determine that the
6 Buyer will be free to pursue the collection of the Undisclosed Assets as the Debtor's
7 discharge injunction will not apply to the Undisclosed Assets, and pursuing the
8 investigation and collection of the Undisclosed Assets will not be a violation of the
9 automatic stay or the discharge injunction.

10 ○ Subject to Overbids. In order to obtain the highest and best offer for the
11 benefit of the creditors of the Estate, the sale of the Estate's interest in the Undisclosed
12 Assets shall be subject to the following overbid terms:

13 ▪ Potential overbidders must bid an initial amount of at least
14 \$15,000.00 over the Purchase Price or \$65,000.00. Minimum bid increments
15 thereafter shall be \$1,000.00. The Trustee shall have sole discretion in
16 determining which overbid is the best for the Estate and will seek approval from
17 the Court of the same.

18 ▪ Overbids must be in writing and be received by the Trustee and his
19 counsel, Rika M. Kido of Shulman Hodges & Bastian LLP three (3) business days
20 prior to the hearing on the Compromise Motion (defined below).

21 ▪ Overbids must be accompanied by a deposit ("Overbidder
22 Deposit") in the form of certified funds in the amount of at least Sixty-Five
23 Hundred Dollars (\$6,500.00) payable to Trustee.

24 ▪ The overbidder must also provide evidence of having sufficient
25 specifically committed funds to complete the transaction for the bid amount and
26 such other documentation relevant to the bidder's ability to qualify as the buyer
27 and ability to close the sale and immediately and unconditionally pay the winning
28 bid purchase price at closing.

 ▪ The overbidder must seek to acquire the Estate's interest in the
Undisclosed Assets on terms and conditions not less favorable to the Estate than
the terms and conditions to which 36 Van Nuys has agreed to purchase the
Estate's interest in the Undisclosed Assets in the Agreement.

 ▪ If one or more overbids are received, the final bidding round for
the Estate's interest in the Undisclosed Assets shall be held at the hearing on the
Compromise Motion (defined below) in order to allow all potential bidders the
opportunity to overbid and purchase the Estate's interest in the Undisclosed
Assets. At the final bidding round to be conducted before the Bankruptcy Court,
the Trustee will seek entry of an order, *inter alia*, authorizing and approving the
sale of the Estate's interest in the Undisclosed Assets to the bidder who the
Trustee, in the exercise of his business judgment, may determine to have made the
highest and best offer to purchase the Estate's interest in the Undisclosed Assets,
consistent with the Bidding Procedures ("Successful Bidder"). The hearing on the
Compromise Motion may be adjourned or rescheduled without notice other than

by an announcement of the adjourned date at the hearing on the Compromise Motion.

▪ At the hearing on the Compromise Motion, the Trustee will seek entry of an order, *inter alia*, authorizing and approving the sale of the Estate's interest in the Undisclosed Assets to the Successful Bidder. The hearing on the Compromise Motion may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the hearing on the Compromise Motion.

▪ In the event the Successful Bidder fails to close on the sale of the Estate's interest in the Undisclosed Assets within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's Deposit and will be released from his obligation to sell the Undisclosed Assets to the Successful Bidder and the Trustee may then sell the Undisclosed Assets to the first back-up bidder approved by the Court at the hearing on the Compromise Motion ("First Back-Up Bidder").

▪ In the event First Back-Up Bidder fails to close on the sale of the Undisclosed Assets within the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's Deposit and will be released from his obligation to sell the Estate's interest in the Undisclosed Assets to the First Back-Up Bidder and the Trustee may then sell the Estate's interest in the Undisclosed Assets to the second back-up bidder approved by the Court at the hearing on the Compromise Motion ("Second Back-Up Bidder").

○ Breakup Fee. In the event that the Bankruptcy Court enters an order approving an offer to purchase the Estate's interest in the Undisclosed Assets submitted by a party other than 36 Van Nuys, the Trustee shall pay to 36 Van Nuys an amount equal to Fifteen Thousand Dollars (\$15,000.00) (the "Breakup Fee"), within fourteen (14) days after closing. The Breakup Fee will be made payable to "36 Van Nuys, LLC" and shall be mailed to the attention of William H. Brownstein, Esq., William H. Brownstein & Associates, Professional Corporation, 1250 Sixth Street, Suite 205, Santa Monica, CA 90401-1637. If the Bankruptcy Court does not approve the Agreement, the Trustee shall not be obligated to pay to 36 Van Nuys the Breakup Fee.

• Waiver of the E&N Allowed Claim. So long as 36 Van Nuys is the successful bidder, E&N waives the E&N Allowed Claim and all further claims that it may have against the Estate.

• Motion for Approval of Compromise and Sale. Upon receipt of a fully executed copy of this Agreement, all related documents and the Good Faith Payment, the Trustee shall promptly file a motion with the Bankruptcy Court to obtain approval of this Agreement ("Compromise Motion"). This Agreement is contingent upon and expressly conditioned on the issuance of an order by the Bankruptcy Court in the Chapter 7 case approving this Agreement pursuant to Federal Rules of Bankruptcy Procedure 6004 and 9019. Unless and until approved by the Bankruptcy Court, this Agreement set forth herein are of no force or effect whatsoever. The Parties acknowledge that this Agreement is the result of extensive good faith negotiations between the Parties and is not to be construed as an admission of liability on the part of any of the Parties hereto, their agents, employees or officers, by whom liability is expressly denied. The Parties are bound by this Agreement subject only to Bankruptcy Court approval and waive any right to object to approval by the Bankruptcy Court.

///

• Jurisdiction of the Bankruptcy Court. Should any dispute arise regarding this Agreement, the United States Bankruptcy Court for the Central District of California, Los Angeles Division, shall have exclusive jurisdiction to determine the same. The Bankruptcy Court shall retain jurisdiction to resolve any such dispute even after the case is dismissed.

• Trustee Capacity. The Trustee is signing this Agreement in his capacity solely as Chapter 7 Trustee for the Estate. Nothing contained herein shall in any way impute liability to the Trustee, personally or as a member of any professional organization, or anyone acting on his behalf, including but not limited to his counsel, Shulman Hodges & Bastian LLP.

III. ARGUMENT

A. Upon Approval by the Court, a Trustee May Compromise a Claim of the Estate

The power of the Court to review and approve settlements is expressly recognized in Federal Rule of Bankruptcy Procedure, Rule 9019(a), which provides:

On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

Thus, upon notice to the creditors, the United States Trustee, the debtors and indenture trustees, the trustee may compromise a claim of the estate. The approval of a compromise is a core proceeding under 28 U.S.C. §157(b)(2)(A) and (O). *In re Carla Leather, Inc.*, 50 B.R. 764, 775 (S.D.N.Y. 1985).

B. The Bankruptcy Court May Approve a Compromise is Fair and Equitable

The purpose of a compromise agreement between a debtor and a creditor is to allow the parties to avoid the expenses and burdens associated with litigation. *Martin v. Kale (In re A & C Properties)*, 784 F.2d 1377, 1380-81 (9th Cir. 1986), *cert. denied sub nom, Martin v. Robinson*, 479 U.S. 854 (1986). The bankruptcy court has great latitude in approving compromise agreements as long as it finds that the compromise is fair and equitable. *Id.* at 1382; *see also, Woodson v. Fireman's Fund Ins. Co. (In re Woodson)*, 839 F.2d 610, 620 (9th Cir. 1988). Generally, the benchmark in determining the propriety of a settlement is whether the settlement is in the best interests of the estate and its creditors. *In re Energy Cooperative, Inc.*, 886 F.2d 921, 927 (7th Cir. 1989). To be approved, the settlement need not represent the highest possible return to the estate, but merely must fall within the "range of reasonableness." *In re Walsh Construction, Inc.*, 669 F.2d 1325, 1328 (9th Cir. 1992). In making this determination, the

1 bankruptcy court need not conduct a trial or even a “mini trial” on the merits. *Id.*

2 In determining the fairness, reasonableness and adequacy of a proposed settlement
3 agreement, the Court must consider the following factors:

4 (a) The probability of success in the litigation; (b) the difficulties, if any, to be
5 encountered in the matter of collection; (c) the complexity of the litigation
6 involved, and the expense, inconvenience, and delay necessarily attending it; (d)
the paramount interests of the creditors and a proper deference to their reasonable
views in the premises.

7 *A & C Properties*, 784 F.2d at 1381; *Woodson*, 839 F.2d at 620. In other words, the Court must
8 weigh certain factors in order to determine whether the compromise is in the best interests of the
9 bankrupt estate. *A & C Properties*, 784 F.2d at 1382.

10 The Trustee believes the proposed Agreement is in the best interest of the Estate and
11 under the four factors of *A&C Properties*, the Agreement should be approved as doing so is the
12 most expedient and cost effective method for resolving all disputes, claims, demands and causes
13 of action related to the E&N Allowed Claim and the Estate’s interest in the Undisclosed Assets.

14 ***1. Probability of Success in Litigation***

15 With respect to the Undisclosed Assets, there is no litigation pending to unwind the
16 Estate’s interest, if any. The Trustee and his counsel are unable to conclude that the Undisclosed
17 Assets have significant value worth administering at this time. Rather, they have concluded that
18 it will take substantial time and resources to unwind the Estate’s interest, if any, in the
19 Undisclosed Assets in a manner that would benefit creditors of the Estate.

20 With respect to the E&N Allowed Claim, at this time, there is no litigation pending.
21 However, on October 15, 2014, E&N filed the E&N Limited Opp to the Trustee’s TFR.
22 Pursuant to the E&N Limited Opp, E&N disputed the allowance and payment of POC 11 which
23 may be subject to litigation. The probability of success in such litigation is highly uncertain.

24 The settlement instead, will eliminate and resolve E&N Limited Opp. Specifically, the
25 E&N Agreement provided that E&N would have an allowed unsecured claim of \$393,000.00
26 against the Estate. E&N further agreed that it would subordinate the E&N Allowed Claim in an
27 amount necessary to allow a ten percent (10%) distribution to general unsecured creditors in the
28 instant bankruptcy case, assuming there were funds to pay general unsecured creditors.

1 Assuming that 36 Van Nuys is the successful bidder, E&N agrees to waive the E&N Allowed
2 Claim, which would resolve the E&N Limited Opp.

3 ***2. Difficulties, if any, to be Encountered in the Matter of Collections***

4 The difficulty of collection weighs in favor of settling. Assuming the Trustee is
5 successful in unwinding the Estate's interest, if any, in the Undisclosed Assets, the Trustee
6 would then have to spend additional time and money ensuring that the Undisclosed Assets are
7 turned over to the Estate. The Agreement allows the Trustee to avoid these additional costs.
8 Accordingly, this factor weighs in favor of settling.

9 ***3. The Complexity of the Litigation Involved, and the Expense, Inconvenience,***
10 ***and Delay Necessarily Attending It***

11 While the legal issues associated with the request for turnover of the Undisclosed Assets
12 are not, on their face, complex, the expense, inconvenience and delay associated with pursuing the
13 said claims far outweigh any additional benefit to the Estate. Under the terms of the Agreement,
14 the Parties desire to settle and resolve any and all disputes regarding the Undisclosed Assets
15 without further time or expense to the Estate. The Trustee understands the risks inherent in any
16 litigation. Rather than delay the matter and incur expenses or resources seeking Court ordered
17 turnover of the Undisclosed Assets and taking the further steps necessary to unwind the Estate's
18 interests in the Undisclosed Assets, the Trustee has determined that the settlement reached is fair
19 and reasonable and will net the Estate far more than if the Estate were to administer the
20 Undisclosed Assets. Based thereon, the Trustee believes the proposed settlement and
21 compromise is the most expedient and cost effective method for resolving any and all disputes,
22 claims, demands and causes of action related to the Undisclosed Assets.

23 ***4. The Paramount Interest of the Creditors and the Proper Deference to the***
24 ***Reasonable Views***

25 The Agreement should be approved as a means of preserving assets and enhancing the
26 value of the Estate. The Agreement avoids the substantial time and resources the Trustee
27 anticipates that it would take to unwind the Estate's interest, if any, in the Undisclosed Assets in
28

a manner that would benefit creditors of the Estate. Settlement therefore results in certainty and substantial benefit to the Estate in that:

- The Estate immediately receives \$50,000.00.
- Certainty regarding the receipt of \$50,000.00, which provides funds for a distribution to unsecured creditors and ceases the accrual of unnecessary administrative expenses regarding the investigation into and the administration of the Undisclosed Assets.
- The costs to the Estate to recover the Undisclosed Assets through litigation would have significantly reduced the amount of funds available for distribution to creditors.
- So long as 36 Van Nuys is the successful bidder, E&N waives the E&N Allowed Claim and all further claims that it may have against the Estate.
- The Agreement resolves all remaining issues affecting the administration of the Estate and will allow the Trustee to file an amended TFR providing for a distribution to the unsecured creditors.

In summary, the Agreement is based on the Trustee's good business judgment that will benefit the Estate and creditors and therefore approval of the Settlement Motion is proper.

C. The Court has the Authority to Approve the Bidding Procedures

Implementation of the Bidding Procedures is an action outside of the ordinary course of the business. Bankruptcy Code Section 363(b)(1) provides that a trustee "after notice and hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Thus, pursuant to Bankruptcy Code Sections 363(b)(1) and 105(a), this Court may authorize the implementation of overbidding procedures.

The Ninth Circuit, in a case under the Bankruptcy Act, recognized the power of a bankruptcy court to issue orders determining the terms and conditions for overbids with respect to a sale of estate assets. *In re Crown Corporation*, 679 F.2d 774 (9th Cir. 1982). The *Crown Corporation* court entered an order specifying the minimum consideration required for an overbid as well as the particular contractual terms required to be offered by overbidders. *Id.* at

777. The *Crown Corporation* decision also approves an order requiring and setting the amount of potential overbidder's deposits and authorized courts to determine the disposition of such deposits. *Id.* While the discussion is not extensive, the *Crown Corporation* decision recognizes the authority of bankruptcy courts to order the implementation of bidding procedures such as those proposed in the present case.

1. The Overbid Procedures are Untainted by Self-Dealing

The Bidding Procedures have been proposed in good faith and have been negotiated on an "arms-length" basis. Therefore, there is no prospective taint in dealings between Trustee and any potential bidders.

2. The Overbid Procedures Encourage Bidding and are Fair in Amount

The Bidding Procedures are designed to encourage, not hamper bidding and are reasonable under the circumstances. The Bidding Procedures are intended to provide potential overbidders with adequate information to make an informed decision as to the amount of their bid and the validity of their bid.

3. The Overbid Procedures are Fair, Reasonable and Serve the Best Interests of the Estate

The proposed Bidding Procedures serve the Estate in several ways. First, the Bidding Procedures themselves are fair, reasonable and productive; they will permit the Trustee to resolving all disputes, claims, demands and causes of action related to the Estate's interest in the Undisclosed Assets on the best possible terms for the unsecured creditors.

The Bidding Procedures will ensure that all bids will be comparable. The Trustee will determine which bid is the highest and best for the Estate. The comparability requirement of the Bidding Procedures will make it possible to accomplish this task.

The Bidding Procedures will help the Trustee to obtain the highest and best possible price for resolving all disputes, claims, demands and causes of action related to the Estate's interest in the Undisclosed Assets.

///

///

1 The Bidding Procedures institute minimum overbid increments which the Trustee
2 believes are reasonable. Thus, the Trustee will be able to obtain substantial benefit for this
3 Estate from the resolution of all disputes, claims, demands and causes of action related to the
4 Estate's interest in the Undisclosed Assets.

5 The Bidding Procedures require that potential bidders demonstrate their capacity to
6 complete the transaction. It would be a serious loss to the Estate if it surrendered its opportunity
7 to resolve all disputes, claims, demands and causes of action related to the Estate's interest in the
8 Undisclosed Assets to one party in favor of a competing bidder only to discover the successful
9 bidder incapable of consummating the transaction. Thus, requiring bidders to qualify as
10 qualified bidders will protect the Estate from such a loss.

11 Finally, the most important benefit of the Bidding Procedures to the Estate is that their
12 implementation will enable the consummation of the proposed resolution. The proposed
13 resolution will be the best way to obtain the maximum and most expedient recovery for creditors
14 of this Estate. Implementation of the Bidding Procedures is an essential component of
15 consummating the resolution all disputes, claims, demands and causes of action related to the
16 Estate's interest in the Undisclosed Assets, and maximizing the value of the resolution for the
17 Estate and creditors.

18 The Bidding Procedures proposed by the Trustee are fair and provide for a "level playing
19 field" for all prospective bidders with respect to the License. The proposed Bidding Procedures
20 establish a reasonable but expeditious timeline for allowing the Trustee to give notice of the
21 proposed resolution and for qualified bidders to conduct reasonable due diligence and submit
22 competing offers for the Estate's interest in the Undisclosed Assets, thereby potentially
23 generating additional value. Furthermore, the notice that the Trustee proposes to provide to
24 creditors and parties in interest in connection with the Bidding Procedures and Settlement
25 Motion is designed to attract the most interest and is sufficient under the circumstances of this
26 case. Thus, approval of the Bidding Procedures will serve the best interests of the Estate and its
27 creditors.

28 ///

V. CONCLUSION

Based on the above, the Trustee respectfully requests that the Court enter an order as follows:

1. Granting the Settlement Motion;
2. Approving the Agreement, a copy of which is attached as **Exhibit "3"** to the Leslie Decl.;
3. Authorizing the Trustee to resolve all disputes, claims, demands and causes of action related to the E&N Allowed Claim and the Estate's interest in the Undisclosed Assets with E&N and 36 Van Nuys pursuant to the terms and conditions as set forth in the Agreement attached as **Exhibit "3"** to the Leslie Decl.;
4. Authorizing the Trustee to execute any necessary documents to carry out the provisions as contemplated in the Agreement;
5. That the Debtor is enjoined from amending her Schedules to list and exempt the Undisclosed Assets or any other assets that the Debtor has failed to list to date, all of which are being sold to 36 Van Nuys as part of this Agreement;
6. That the Debtor's discharge injunction will not apply to the Undisclosed Assets and Buyer's pursuit of the investigation and collection of the Undisclosed Assets will not be a violation of the automatic stay or the discharge injunction; and
7. For such other and further relief as the Court deems just and proper.

Respectfully submitted,

SHULMAN HODGES & BASTIAN LLP

Dated: April 22, 2015

/s/ Rika M. Kido

Leonard M. Shulman

Lynda T. Bui

Rika M. Kido

Attorneys for Sam S. Leslie, Chapter 7 Trustee
for the bankruptcy estate of Jennie A. Santamaria aka
Jennie A. Anderson

DECLARATION

DECLARATION OF SAM S. LESLIE

I, Sam S. Leslie, declare and state as follows:

1. I am the duly appointed, qualified and acting Chapter 7 Trustee for the bankruptcy estate of Jennie A. Santamaria aka Jennie A. Anderson ("Debtor"), Case No. 2:11-bk-27348-BB. I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I am familiar with the Debtor's bankruptcy proceeding and make this Declaration in support of my Motion for Order: (1) Approving Compromise Under Rule 9019 Between the Estate, E&N Financial Services & Development, Inc. ("E&N") and 36 Van Nuys LLC ("36 Van Nuys"), Subject to Overbids; (2) Approving Overbid Procedures; and (3) Granting Related Relief ("Settlement Motion").

3. I have read and I am aware of the contents of the Settlement Motion and the accompanying Memorandum of Points and Authorities. The facts stated in the Settlement Motion and the Memorandum of Points and Authorities are true to the best of my knowledge. Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Settlement Motion and the Memorandum of Points and Authorities.

4. The Debtor initially a Chapter 11 bankruptcy case by filing a voluntary petition on April 21, 2011 in the United States Bankruptcy Court for the Central District of California, Los Angeles Division ("Bankruptcy Court") as Case No. 2:11-bk-27348-BB. The Debtor's Chapter 11 case was converted to the instant Chapter 7 bankruptcy case on July 5, 2012.

5. On October 13, 2014, counsel for E&N sent correspondence to my counsel and I alleging substantial assets and disturbing irregularities which were not disclosed in the Debtor's case and which E&N believed, when fully investigated, could result in substantially more undisclosed assets and possibly result in funds available for creditors of the Estate ("E&N Correspondence"). A true and correct copy of the E&N Correspondence (not including the over 200 pages of enclosures) is attached hereto as **Exhibit "1"**.

///

1 6. I have been informed by the Debtor and her counsel that the Debtor denies
2 owning any interest in the Undisclosed Assets. Consistent with that assertion, the Debtor has
3 provided me with a declaration regarding the Undisclosed Assets. A true and correct copy of the
4 Declaration of Jennie Santamaria Re Alleged Undisclosed Assets is attached hereto as **Exhibit**
5 **“2”**.

6 7. My counsel and I have spent hours conducting an independent investigation into
7 the existence and value of the Undisclosed Assets. My counsel and I are unable to conclude that
8 the Undisclosed Assets have significant value worth administering at this time. Rather, we have
9 concluded that it will take substantial time and resources to unwind the Estate’s interest, if any,
10 in the Undisclosed Assets in a manner that would benefit creditors of the Estate.

11 8. On October 29, 2014, the hearing on the TFR was held. I advised the Court of the
12 information I had received regarding the Undisclosed Assets. The Court granted the TFR in part
13 and approved fees and expenses for administrative claimants. The Court continued the hearing
14 on the TFR to allow me time to investigate the Undisclosed Assets and advise the Court
15 regarding the status before the continued hearing. I have done that and the hearing on the TFR
16 has been continued to June 17, 2015 to allow me time to work out an agreement with E&N and
17 36 Van Nuys regarding the Undisclosed Assets and file an amended TFR.

18 9. Through the Settlement Motion, I request approval of the Settlement Agreement
19 entered into between myself, E&N and 36 Van Nuys. A true and correct copy of the Settlement
20 Agreement is attached hereto as **Exhibit “3”**.

21 10. I believe that the interests of the creditors and the Estate would best be served if
22 this Court approves the proposed settlement under the four factors set forth by *A and C*
23 *Properties*. The substantial time and resources it would take to unwind the Estate’s interest, if
24 any, in the Undisclosed Assets in a manner that would benefit creditors of the Estate would
25 exceed any additional benefit that might be achieved. Accordingly, and based on my business
26 judgment, I respectfully request that the Court approve the Settlement Motion.

27 ///


28 ///

1 11. Before agreeing to enter into the settlement that is the subject of the Settlement
2 Motion, I consulted with counsel about the risks and benefits of administering the Undisclosed
3 Assets. I also consulted counsel about the benefits to the Estate which would result from the
4 settlement.

5 12. For the reasons stated in the Settlement Motion and the accompanying Points and
6 Authorities, and based on my experience as a Trustee, as well as my consultation with my
7 attorneys, I believe it is in the best interest of the Estate to enter into a Settlement Agreement
8 with E&N and 36 Van Nuys.

9 I declare under penalty of perjury pursuant to the laws of the United States of America
10 that the foregoing is true and correct.

11 Executed on April 21st, 2015 at Los Angeles, California.

12 
13 Sam S. Leslie

DECLARATION

DECLARATION OF RIKA M. KIDO

I, Rika M. Kido, declare and state as follows:

1. I am an associate with Shulman Hodges & Bastian LLP, attorneys for Sam S. Leslie, Chapter 7 Trustee ("Trustee") for the bankruptcy estate ("Estate") of Jennie A. Santamaria aka Jennie A. Anderson ("Debtor"), Case No. 2:11-bk-27348-BB. I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto.

2. I make this Declaration in support of the Trustee's Motion for Order: (1) Approving Compromise Under Rule 9019 Between the Estate, E&N Financial Services & Development, Inc. ("E&N") and 36 Van Nuys LLC ("36 Van Nuys"), Subject to Overbids; (2) Approving Overbid Procedures; and (3) Granting Related Relief ("Settlement Motion"). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Settlement Motion.

3. The Trustee, E&N and 36 Van Nuys have negotiated for months regarding the terms of the Settlement Agreement. E&N's counsel has represented that his client will execute the Settlement Agreement and send the Trustee the deposit upon his return from an overseas business trip. Upon receipt of the executed Settlement Agreement, I will immediately file a supplement to the Settlement Motion to provide the Court with a copy of the executed Settlement Agreement. A true and correct copy of the email exchange between E&N and 36 Van Nuys' counsel is attached hereto as **Exhibit "4"**.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on April 22, 2015, at Irvine, California.

/s/ Rika M. Kido

Rika M. Kido

EXHIBIT 1

WILLIAM H. BROWNSTEIN*

ATTORNEY AT LAW

CERTIFIED SPECIALIST, BANKRUPTCY LAW
THE STATE BAR OF CALIFORNIA
BOARD OF LEGAL SPECIALIZATION

Main Document Page 31 of 70

WHB

WILLIAM H. BROWNSTEIN & ASSOCIATES,

PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS AT LAW

OFFICE: (310) 458-0048
TELECOPIER: (310) 576-3581
MOBILE/PAGER: (310) 877-9882
E-MAIL: BROWNSTEINLAW.BILL@GMAIL.COM
WEB: WWW.BANKRUPTCYGURU.COMEVELINE H. BROWNSTEIN
OFFICE ADMINISTRATOR - LEGAL ASSISTANT*LL.M. TAXATION, NEW YORK UNIVERSITY,
SCHOOL OF LAW - 1979
FORMER SENIOR COUNSEL, UNITED STATES
DEPARTMENT OF JUSTICE
OFFICE OF UNITED STATES TRUSTEE - 1979-1982

1250 SIXTH STREET, SUITE 205, SANTA MONICA, CALIFORNIA 90401-1637

October 13, 2014

Lynda T Bui on behalf of Trustee
Sam S Leslie (TR)
lbui@shblp.comSam S Leslie (TR)
sleslie@trusteeleslie.com,
sleslie@ecf.epiqsystems.com;trustee
@trusteeleslie.com

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

Dear Ms. Bui and Mr. Leslie:

I am sending this email to apprise you that as a result of discovery and investigation undertaken in connection with the enforcement of my client's lien against the property located at 25 and 25 ½ Voyage, Marina del Rey, CA, it discovered substantial assets and disturbing irregularities which were not disclosed in the debtor's case and which, I believe, when fully investigated, will result in substantial funds available for the creditors of the estate.

As shown in the attached, to date, the following, without limitation, has been discovered:

1. The September Trust, with assets of at least \$900,000, which is Santamaria's separate property. (See Exhibit 11, pp. 6 - 7 (JS000088 - JS000089; Exhibit 13, p. 2 (JS000117), p. 9 (JS000124).)
2. Debtor's interest as the sole Member of Harvest Worldwide, LLC, which is Santamaria's separate property and had a value of at least \$200,000 in 2003. (See Exhibit 13, p. 2 (JS000117), p. 9 (JS000124).)
3. Debtor's interest as the sole shareholder of Summit Oil & Gas, Inc., which is Santamaria's separate property and had a value

EXHIBIT "1"

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 2

of at least \$200,000 in 2003. (See Exhibit 13, p. 2 (JS000117), p. 9 (JS000124).)

4. Failure to disclose in her Schedules, Amended Schedules or otherwise 2011 gross receipts of \$100,941 and net income of \$49,640 from the September Trust (per her 2011 tax return). Debtor's original Schedules showed her income as "\$0.00" and although Amended Schedules filed on September 7, 2012 disclosed annual rental income of \$66,000 and "Support From Family" of \$8400 per year, none of the income from the September Trust was disclosed.

As these were only discovered after the Debtor's discharge was entered on March 7, 2013, and they have a material impact on this estate and as shown in the cases relating to the issues of denial of discharge and vacating a discharge, I believe that an action as soon as possible is warranted and appropriate.

I note that more and more assets and discrepancies are being found in the bankruptcy case as time goes on. However, at this time the magnitude of the undisclosed assets and misstatements in the bankruptcy case is substantial and I believe warrants the vacating of Debtor's discharge, especially since it is doubtful that this is all there is and I believe it may just be the tip of the iceberg so to speak.

Because the debtor acquired property that is property of the estate, or became entitled to acquire property that would be property of the estate, and knowingly and fraudulently failed to report the acquisition of or entitlement to such property, or to deliver or surrender such property to the trustee, I believe that pursuant to 11 U.S.C. §§727(d)(2) and (e) that a complaint to vacate the Debtor's discharge is warranted and appropriate and that bringing in the assets that the Debtor failed to disclose and which are clearly property of the estate will result in sufficient funds to provide a substantially larger distribution than currently provided under the Final Report. Moreover, we are willing to serve as special Counsel on a contingency basis to pursue this matter.

Relevant Case Law Supporting Revocation Of The Debtor's Discharge

Following are the initial results of my research on issues relating to

EXHIBIT "1"

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 3

the vacating of a discharge, which I believe are relevant to this case.

I note that the case law on this issue finds that a Chapter 7 debtor's failure to disclose affiliation with and income derived from a business enterprise, as well as the existence of certain checking accounts, constitute a false oath, warranting revocation of discharge on fraud grounds. *In re Staub*, Bkrtcy.S.D.Ga.1997, 208 B.R. 602.

Chapter 7 debtors' discharge would be denied for failing to disclose on their schedules profits generated from the prepetition sale of their travel agency where assets were directly related to debtors' business transactions and were of material value to the estate; debtors' omission of material assets was sufficient to impute fraudulent intent. *In re Chiasson*, Bkrtcy.M.D.Fla.1995, 183 B.R. 293.

Chapter 7 debtors' discharge would be denied for failing to disclose on their schedules profits generated from the prepetition sale of their travel agency where assets were directly related to debtors' business transactions and were of material value to the estate; debtors' omission of material assets was sufficient to impute fraudulent intent. *In re Chiasson*, Bkrtcy.M.D.Fla.1995, 183 B.R. 293.

Chapter 7 debtors' discharge had to be denied for failing to disclose their business involvement with motel and interest in trust which held motel where debtors were not unsophisticated consumer debtors but were involved in several businesses, and they knew or should have known importance of full disclosure and significance of omitting information under penalty of perjury. *In re Vincent*, Bkrtcy.M.D.Fla.1993, 159 B.R. 595. Fifty percent shareholder in equipment rental business would be denied general discharge in bankruptcy based on his omission of assets from schedules and failure to adequately account for loss of assets transferred from rental business to related corporate entity in apparent attempt to prevent secured creditor from exercising its rights therein. *In re Gill*, Bkrtcy.M.D.Fla.1993, 159 B.R. 348.

Denial of discharge on grounds that debtor made false oath or account was warranted when debtor failed to disclose his involvement with nonprofit corporation, failed to report \$25,000 capital gain on sale of his home, and failed to list creditor in his schedules. *In re Cross*, Bkrtcy.D.R.I.1993, 156 B.R. 884.

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 4

Individual debtor did not have to disclose assets of his wholly owned corporations on his bankruptcy schedules, and failure to disclose such assets would not support denial of discharge in bankruptcy under "false oath" exception to discharge. *In re Henderson*, Bkrtcy.E.D.Pa.1991, 134 B.R. 147.

Debtor would be denied discharge for knowingly and fraudulently making false oaths or accounts, based on evidence that debtor had falsely denied any ownership interest in family-owned business and had represented that jewelry and wearing apparel valued at \$40,000 on financial statement was worth only \$200 in bankruptcy schedules. *In re Farouki*, Bkrtcy.E.D.Va.1991, 133 B.R. 769, subsequently affirmed 14 F.3d 244.

Chapter 7 debtors were barred from discharge on grounds that debtors knowingly and fraudulently made false oath or account, where debtors' petition and schedules contained misstatements on almost every page with purpose of concealing valuable assets from trustee; petitions and schedules hid one debtor's ownership of prosperous restaurant and debtors' interest in valuable income producing property, hid that one debtor was engaged in partnership, and omitted one debtor's ownership of stock. *In re Sawyer*, Bkrtcy.E.D.N.Y.1991, 130 B.R. 384.

Creditor established prima facie case of denial of discharge for false oaths based on false statements made by debtor in schedules and statement of affairs, and debtor failed to meet his burden of going forward and offering satisfactory explanation for existence of false statements omitting his interest in business, ownership interest in car, and other property, thus permitting inference that statements were made knowingly and with fraudulent intent; debtor did not attempt to explain how and why false statements were made, but merely claimed that false statements were immaterial and that he lacked fraudulent intent. *In re Sapru*, Bkrtcy.E.D.N.Y.1991, 127 B.R. 306.

Debtor's failure to list on schedules his interest in certain corporations, bank accounts and powers of attorney, and his false statements under oath regarding interest in property, warranted denial of discharge. *In re Lazar*, Bkrtcy.S.D.Fla.1988, 81 B.R. 148.

Chapter 7 debtor knowingly and fraudulently made false oath in connection with bankruptcy proceedings when debtor certified his sworn

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 5

statement of assets and liabilities to be true and correct while statement omitted assets and property of two corporations which were his alter egos, for purposes of statute providing for denial of discharge when debtor knowingly and fraudulently makes false oath in connection with bankruptcy proceedings. *In re Sklarin*, Bkrtcy.S.D.Fla.1987, 69 B.R. 949.

Debtors were denied discharge where debtors fraudulently made false oath in filing their schedules by omitting any reference to concession operated in mountains, either in list of debtors' businesses or jobs, or in showing income received by debtors and by omitting income received from school. *In re Hirsch*, Bkrtcy.S.D.Fla.1981, 14 B.R. 59.

Chapter 7 debtor's under reporting of his gross income on his statement of financial affairs (SOFA) by \$389 for one tax year and by \$11,012 for a second tax year constituted a materially false statement, for discharge denial purposes. *Dranichak v. Rosetti*, N.D.N.Y.2013, 493 B.R. 370.

Debtor falsely stated under oath that he had earned no income during certain year, supporting trustee's claim for denial of debtor's Chapter 7 discharge on grounds that he made intentionally false statements under oath in bankruptcy process, where debtor testified that he was listing agent for sale of his residence, that he earned commission of approximately \$7,500 from sale during pertinent year, and that he received commission check of approximately \$6,000 to \$7,000 after deductions for dues. *In re Carver*, C.D.Ill.2009, 418 B.R. 734.

Evidence supported finding that Chapter 7 debtors made false statements warranting denial of discharge, despite debtors' claim the false statements were negligent mistakes; debtors falsely stated in their schedules that their monthly income from inherited individual retirement account (IRA) was \$1,700 when monthly income was closer to \$4,500, debtors did not correct the false statement when amending schedules, and debtors falsely testified that all he inherited from mother was IRA and home when he also inherited other assets. *In re Mullican*, E.D.Tex.2009, 417 B.R. 408.

Chapter 7 debtor's false statements as to amount of his income and value of his non-exempt assets, including fact that he scheduled his ownership interest in closely-held corporation as having value of \$0.00 despite fact that corporation was profitable and had paid debtor and his

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 6

wife at least \$127,453 over a one-year period, along with his failure to disclose a receivable of more than \$200,000 from corporation and materially false representations on statement of financial affairs (SOFA) and at creditors' meeting, were such as to warrant denial of debtor's discharge based on his false oaths. *In re Pearlman*, Bkrtcy.D.R.I.2009, 413 B.R. 27.

Chapter 7 debtor's failure to disclose on his bankruptcy schedules and statement of financial affairs funds that he received from his former business associate and from a co-owner of his company was a "material" matter, for purposes of the "false oath" discharge denial provision; the receipt, and apparently expenditure, of tens of thousands of dollars over the two years preceding the commencement of the bankruptcy bore a significant relationship to debtor's estate. *In re King*, Bkrtcy.N.D.Okla.2002, 272 B.R. 281.

Chapter 7 debtor-husband knowingly made false statement under oath, with requisite intent to deceive, for debtor discharge purposes, when debtor-husband intentionally failed to disclose on his bankruptcy schedules the second company by which he was employed, though debtor had only minimal earnings from this second job and allegedly increased the wages that he reported from his primary employer to account for such additional income as he earned from his second employer; debtor's knowing nondisclosure went beyond a mere negligent or unintentional distortion of the true facts, especially when this additional job could have been revealed in debtor husband's amended schedules or at first meeting of creditors. *In re Yonkers*, Bkrtcy.N.D.Ill.1997, 219 B.R. 227.

Debtor made false oath by failing to fully disclose assets, liabilities and income on his schedules, and debtor had actual intent to conceal that material information, and, thus, debtor's discharge had to be denied; debtor failed to disclose ownership of boat and real property, and failed to disclose accounts receivable and other income from his law practice. *In re Peacock*, Bkrtcy.M.D.Fla.1993, 154 B.R. 597.

Finding that Chapter 7 debtor's concealment of his two partnership interests and of his transfer of one partnership to his wife amounted to a false oath, for discharge denial purposes, was supported by evidence that debtor failed to list the partnership interests on both his original and amended statements of financial affairs, that debtor's attorney was unaware of debtor's transfer of his \$60,000 partnership interest to his wife,

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 7

and that debtor, rather than his father-in-law, controlled partnership. *In re Dubrowsky*, E.D.N.Y.2000, 244 B.R. 560, *motion denied* 268 B.R. 6.

Chapter 7 debtors would be denied discharge based upon knowing and fraudulent making of false oath or account for failing to disclose their interest in partnership and to disclose inventory transfers from partnership to corporation, where debtors intentionally failed to disclose their interest and transfer of inventory, assets were not valueless, and failure to disclose harmed creditors. *In re Ferrato*, Bkrtcy.M.D.Fla.1993, 156 B.R. 83.

A material fraud, which would have resulted in the denial of a Chapter 7 discharge had it been known at the time of such discharge, can justify subsequent revocation of that discharge. *Jones v. U.S. Trustee, Eugene*, C.A.9 (Or.) 2013, 736 F.3d 897.

Better reading of language in bankruptcy statute permitting creditor to seek revocation of debtor's discharge as having been fraudulently obtained only if creditor is ignorant of debtor's alleged fraud until after discharge is granted is a literal one, that does not permit creditor that learns of debtor's alleged fraud during the "gap period" between expiration of 60-day deadline for it to file denial-of-discharge complaint and entry of discharge order to successfully pursue revocation claim; interpreting statutory language literally to preclude such "gap period" claims was consistent with clear and unambiguous language of statute and with policy of liberally interpreting the Code in favor of debtor, and did not prevent creditors, by diligently investigating any alleged fraud by debtor and moving for extensions of 60-day deadline, from taking steps to protect themselves. *Zedan v. Habash*, C.A.7 (Ill.) 2008, 529 F.3d 398, as modified.

Type of fraud which warrants revocation of discharge is fraud in obtaining discharge, not fraud such as would warrant holding debt nondischargeable. *In re Brassard*, Bkrtcy.D.Me.1994, 162 B.R. 375.

In order to revoke discharge, movant must show that discharge was procured by fraud, that sufficient grounds existed which would have prevented discharge, had they been known and presented at that time, and that movant did not know of fraud prior to discharge. *In re Ping*, Bkrtcy.E.D.Ky.1988, 96 B.R. 96.

"Fraud of debtor," such as would warrant revocation of discharge, is

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 8

fraud in procurement of discharge and not mere fraud vis-a-vis a creditor.
In re Jones, S.D.Ill.1987, 71 B.R. 682.

To revoke debtor's discharge for fraud, plaintiff must prove that actions taken by debtor were "fraud in fact," not implied fraud; acts must involve moral turpitude or intentional wrong. *In re Albers*, Bkrtcy.N.D.Ohio 1987, 80 B.R. 414.

In order to revoke a debtor's discharge pursuant to this section, it is required that there be proof of fraud in fact or intentional wrongdoing by the debtor, as distinct from an implied fraud or a mistake in law. *In re LaPorta*, Bkrtcy.N.D.Ill.1982, 26 B.R. 687. See, also, *In re Putnam*, Bkrtcy.M.D.Fla.1988, 85 B.R. 881.

Bankruptcy court did not clearly error in determining that Chapter 7 debtor had acquired property of bankruptcy estate, and knowingly and fraudulently failed to report acquisition of such property to estate, as required to support revocation of debtor's discharge, even if debtor largely avoided explicit false statements; debtor had represented to trustee that all payments from his ex-wife, including alimony, were subject to liens, debtor had accelerated by private agreement two of ex-wife's alimony and property settlement payments without advising trustee or court, debtor had used funds from two sets of payments in part for private purposes, and purported liens on which debtor's bankruptcy petition relied had not been properly perfected. *In re Thunberg*, C.A.1 (R.I.) 2011, 641 F.3d 559.

The willful and fraudulent concealment of property, practiced by the bankrupt throughout the whole proceedings. and continued up to and through the proceedings on his application for discharge, constituted the suppression of a fact which, if it had been known, would have barred his right to a discharge, and therefore may be considered as fraud in the obtaining of the discharge, so that if it came to the knowledge of parties in interest only after the discharge had been granted, and they acted promptly, it furnished ground for revoking the discharge. *In re Meyers*, S.D.N.Y.1900, 100 F. 775. See, also, *In re Paine*, D.C.Ky.1904, 127 F. 246, 11 Am.Bankr.Rep. 351; *In re Hansen*, D.C.Or.1901, 107 F. 252, 5 Am.Bankr.Rep. 747; *Throop v. Griffin*, 1897, 36 A. 865, 180 Pa. 452.

In proceeding to revoke Chapter 7 debtor's discharge, court could consider evidence regarding debtor's alleged fraudulent concealment of interest in Canadian chalet, though concealment of chalet was not

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 9

specifically alleged in complaint, where complaint put debtor on notice that complainants were seeking evidentiary hearing to question him about his financial affairs and extent of his assets, evidence of this concealment was presented at hearing, and there was no evidence that debtor was prejudiced by amending pleadings to conform to evidence, especially since it would have been easy for him to prove that he did not own chalet. *In re Green*, D.Del.2004, 308 B.R. 677.

Debtor who hides known prepetition assets from Chapter 7 trustee and creditors may find discharge revoked for fraud occasioned by such concealment. *In re Barr*, Bkrtcy.N.D.Ill.1997, 207 B.R. 168.

Discharge in bankruptcy can be revoked on ground that it was obtained through fraud, only if knowledge of fraud came to petitioner after granting of discharge. *In re Leach*, W.D.Ark.1961, 197 F.Supp. 513.

Creditor seeking to revoke Chapter 7 debtor's discharge, as having been obtained by fraudulent errors and omissions on bankruptcy schedules, satisfied burden of showing that it did not have knowledge of inaccuracies before debtor was granted a discharge, based on evidence that, prior to its post discharge examination of debtor in connection with its complaint to except specific debt from discharge, it did not know or even suspect that debtor's bankruptcy schedules might be false. *In re George*, Bkrtcy.W.D.N.Y.1995, 179 B.R. 17.

To obtain revocation of Chapter 7 discharge on ground of fraud, creditor must show that debtor procured discharge through fraud and that creditor did not know of such fraud until after discharge date. *In re Emery*, Bkrtcy. E.D.N.Y.1994, 170 B.R. 777, reversed 201 B.R. 37, *affirmed* 132 F.3d 892.

Trustee established he did not know or have any reason to know about false oaths Chapter 7 debtor had made in bankruptcy proceeding until after objection bar date had passed, in determining whether discharge should be revoked on ground it was obtained through fraud of debtor; there were no indications in papers filed by debtor or in his subsequent testimony at creditors' meeting to put trustee on notice of debtor's possible interest in or involvement with corporation, but debtor was beneficial owner of 50% of the corporation's common stock and corporation employed debtor, and trustee was only apprised of such facts after objection to discharge bar date had passed. *In re Topper*, Bkrtcy.S.D.Fla.1988, 85 B.R. 167.

EXHIBIT "1"

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 10

Chapter 7 debtor obtained discharge through fraud, and thus revocation of discharge was warranted, where debtor made false statements in his §§ 341 creditors' meeting that he had common law wife and that his residence was his only property, and debtor made numerous false statements in his bankruptcy schedules and in his statement of financial affairs regarding his ownership of real property and motor vehicles, as well as his true income and business interests. *U.S. v. Harrison*, S.D.Tex.2007, 366 B.R. 656, *reconsideration denied*, reconsideration denied 2007 WL 1112946, reconsideration denied 2007 WL 1675640, stay pending appeal denied 2007 WL 1428635, *affirmed* 273 Fed.Appx. 315, 2008 WL 942940, *certiorari denied* 129 S.Ct. 469, 555 U.S. 971, 172 L.Ed.2d 329, *certiorari denied* 129 S.Ct. 471, 555 U.S. 971, 172 L.Ed.2d 329, *rehearing denied* 129 S.Ct. 1035, 555 U.S. 1150, 173 L.Ed.2d 319.

That Chapter 7 debtor, an experienced real estate investor, acted fraudulently or at least with reckless indifference to his obligations as bankruptcy debtor in failing to schedule as assets of estate three parcels of property that he purchased at tax sales shortly prior to commencement of his bankruptcy case, in failing to disclose income recently received from his businesses, in not identifying account that he had closed on eve of his bankruptcy filing, and in failing to disclose business assets liquidated less than two years prepetition could be inferred from circumstances of case, so as to warrant revocation of his discharge based on conduct which, if discovered earlier, would have warranted a denial of his discharge on "false oath" theory. *In re Osborne*, Bkrtcy. D.Kan.2012, 476 B.R. 284.

Debtor knew that manner in which he was withholding information about estate property that he acquired postpetition would and did hinder and delay those to whom he was accountable, satisfying "knowingly" element of trustee's claim seeking revocation of debtor's Chapter 7 discharge based upon debtor's knowing and fraudulent failure to report or turn over estate property that he acquired post-petition. *In re Thunberg*, Bkrtcy.D.R.I.2009, 413 B.R. 20, affirmed 2010 WL 1838003, affirmed 641 F.3d 559.

Bankruptcy statute which provides that Chapter 7 discharge may be revoked at request of trustee, of creditor, or of United States Trustee does not provide sole basis for relief from discharge order, and in appropriate case, debtor may obtain relief in form of order vacating his/her discharge pursuant to Federal Rule of Civil Procedure that governs motions for relief from judgment. *In re Mosby*, Bkrtcy.E.D.Va.2000, 244 B.R. 79.

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW

Re: Jennie Santamaria, Case No. 2:11-bk-27348-BB

Grounds for Revoking Discharge

October 13, 2014

Page 11

Attorney fees and costs relative to creditors' prosecution of action to revoke and/or deny discharge upon creditors' uncovering of undisclosed assets of debtor were recoverable. *In re Antar*, Bkrtcy.S.D.Fla.1990, 122 B.R. 788.

Proposed Course Of Action

We propose being retained as special counsel for the purpose of pursuing this case on a contingency fee of fifty (50) percent of any recovery, plus reimbursement of out of pocket costs. If there is no recovery, then there will be no fees. Any such fees will also be subject to approval of the Bankruptcy Court. I note that such recovery is anticipated to greatly exceed the total creditor claims filed in this case.

Alternatively, I wish to note that pursuant to 11 U.S.C. §727(e)(2), my client, as a creditor has standing to seek the revocation of a discharge and if the Trustee chooses not to pursue this action, my client would have standing to pursue such an action, which is not our first choice. Thus, we would appreciate the Trustee considering employing us as special counsel.

Please contact me at your earliest convenience so that we may discuss this matter and provide a strategy for pursuing these valuable assets against the Debtor.

Very Truly,


William H. Brownstein, President

William H. Brownstein & Associates Professional Corporation

WHB: slf.

Encl.

EXHIBIT 2

Leonard M. Shulman – Bar No. 126349
Lynda T. Bui – State Bar No. 201002
Rika M. Kido – State Bar No. 273780
SHULMAN HODGES & BASTIAN LLP
100 Spectrum Center Drive, Suite 600
Irvine, California 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: lshulman@shbllp.com; lbui@shbllp.com;
rkido@shbllp.com

Attorneys for Sam S. Leslie,
Chapter 7 Bankruptcy Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

In re

JENNIE A. SANTAMARIA aka
JENNIE A. ANDERSON,

Debtor.

Case No. 2:11-bk-27348-BB

Chapter 7

**DECLARATION OF JENNIE SANTAMARIA
RE ALLEGED UNDISCLOSED ASSETS**

DECLARATION OF JENNIE A. SANTAMARIA

I, Jennie A. Santamaria, do hereby declare and state as follows:

1. On April 21, 2011, I commenced a Chapter 11 bankruptcy case by filing a voluntary petition in the United States Bankruptcy Court for the Central District of California, Los Angeles Division ("Bankruptcy Court") as Case No. 2:11-bk-27348-BB ("Bankruptcy Case"). My Chapter 11 case was converted to Chapter 7 case on July 5, 2012.

2. Sam S. Leslie is the duly appointed, qualified and acting Chapter 7 Trustee (the "Trustee") for my bankruptcy estate.

3. In or around 2000, I created the 1976 Dorchester Trust dated September 5, 2000 ("Trust"). The Trust purchased the real property located at 617 Bedford Drive, Beverly Hills, CA ("Bedford Property") on or about December 7, 2006.

4. On May 5, 2006, E&N filed a complaint ("Complaint") in the Los Angeles Superior Court against my husband, Mark Anderson, ("Mr. Anderson") for various breach of contract and fraud related causes of action, commencing Case No. LC074590. I was not named in the Complaint. On June 12, 2007, a money judgment was entered in favor of E&N and against Mr. Anderson only ("Money Judgment").

5. On July 12, 2007, E&N filed its First Amended Complaint in the Los Angeles County Superior Court against Mr. Anderson and me, both individually and in my capacity as trustee of the Trust, for creditor's suit and to set aside a fraudulent transfer ("Creditor Complaint"), commencing Case No. SC094371. On June 27, 2007, E&N recorded a lis pendens against the Bedford Property relating to the Creditor Complaint.

6. On January 8, 2010, the Court entered judgment ("Creditor Judgment") in favor of E&N and against Mr. Anderson, the Trust and me, stating that Mr. Anderson has a "community property interest" in the Bedford Property and that such interest shall be applied to satisfy the earlier Money Judgment. On May 11, 2010, E&N filed an abstract of judgment relating to the Creditor Judgment.

///

1 7. On September 27, 2011, E&N filed a proof of claim with the Bankruptcy Court
2 which is shown on the Bankruptcy Court's docket alleging a secured claim in the amount of
3 \$1,091,119.70 ("E&N Claim"). The E&N Claim is not listed on the Bankruptcy Court's Claims
4 Register but is indicated on the Bankruptcy Court's docket as Docket No. 49. The basis for the
5 E&N Claim is the Money Judgment and the Creditor Judgment.

6 8. On November 18, 2013, the Trustee filed a motion to disallow the E&N Claim
7 ("Claim Objection"). The Court denied the Claim Objection pursuant to an order entered on
8 February 26, 2014, at least in part, on the grounds that the Bedford Property is community
9 property. It was agreed between E&N and the Trustee that the debt owed to E&N is a separate
10 debt of Mr. Anderson.

11 9. On April 3, 2014, the Trustee filed a Motion to Approve Settlement and
12 Compromise of Disputes by and Between Chapter 7 Trustee and E&N Financial Services &
13 Development, Inc. (Docket No. 350) ("E&N Settlement Motion"). The E&N Settlement Motion
14 requested Court approval of the Settlement and Mutual General Release Agreement entered into
15 between the Trustee and E&N dated March 10, 2014, a copy of which was attached to the E&N
16 Settlement Motion ("E&N Agreement").

17 10. Among the terms of the E&N Agreement, the Parties agreed that E&N would have
18 an allowed unsecured claim of \$393,000.00 against the estate ("E&N Allowed Claim"). E&N
19 further agreed that it would subordinate the E&N Allowed Claim in an amount necessary to allow
20 a ten percent (10%) distribution to general unsecured creditors in the instant bankruptcy case,
21 assuming there were funds to pay general unsecured creditors.

22 11. On May 19, 2014, the Court entered an order approving the E&N Settlement
23 Motion (Docket No. 412).

24 12. On September 11, 2014, the Trustee's Final Report ("TFR") was filed (Docket No.
25 493). The TFR was scheduled for a hearing on October 29, 2014 at 2:00 p.m.

26 ///

27 ///

28 ///

1 13. On or about October 13, 2014, counsel for E&N sent correspondence to the
2 Trustee's counsel alleging substantial assets and disturbing irregularities which were allegedly not
3 disclosed in my bankruptcy case and which E&N claimed, when fully investigated, could result in
4 substantially more undisclosed assets and possibly result in funds available for creditors of the
5 Estate ("E&N Correspondence").

6 14. The E&N Correspondence was provided to the Trustee after I filed my order to
7 show cause as to why E&N should not be sanctioned. I believe that the E&N Correspondence has
8 no merit and was designed to stop me from proceeding with my motion for sanctions.

9 15. Pursuant to the E&N Correspondence and otherwise, E&N contends that the
10 following list of alleged assets, plus any and all other assets which are, may or potentially may
11 constitute property of the estate, were allegedly not disclosed by me in this bankruptcy case
12 (collectively, "Undisclosed Assets"), including:

13 a. The September Trust, with alleged assets of at least \$900,000.00, which is
14 allegedly my community property;

15 b. Any membership interest in Harvest Worldwide, LLC, which is allegedly
16 my community property and allegedly had a value of at least \$200,000.00;

17 c. Any shares or other ownership interest as the sole in Summit Oil & Gas,
18 Inc., which is allegedly my community property and allegedly had a value of at least
19 \$200,000.00; and

20 d. Any assets evidenced by my purported failure to disclose on my Schedules,
21 Amended Schedules or otherwise 2011 gross receipts of \$100,941.00 and net income of
22 \$49,640.00 from the September Trust.

23 16. My counsel has been contacted regarding the E&N Correspondence and I have met
24 and conferred with my counsel regarding those allegations. I dispute any and all of those
25 allegations and I submit that I have listed any and all assets that I have and that there are no
26 assets, rights or other properties that I have owned or had any interest in since the commencement
27 of this bankruptcy case that have not been disclosed and listed in my bankruptcy filings.

28 ///

1 17. I have been informed that the Trustee intends to sell whatever right, title and
2 interest that may exist in the Undisclosed Assets.

3 I declare under penalty of perjury under the laws of the United States of America that the
4 foregoing is true and correct.

5 Executed on March 8, 2015, at Los Angeles, California.

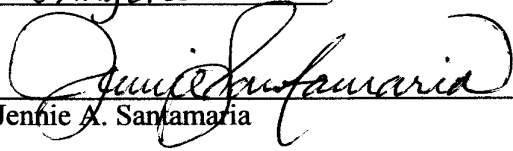
6 
7 Jennie A. Santamaria

EXHIBIT 3

SETTLEMENT AND SALE AGREEMENT

This SETTLEMENT AND SALE AGREEMENT ("Agreement") is entered into by and between Sam S. Leslie, solely in his capacity as Chapter 7 Trustee ("Trustee") for the bankruptcy estate ("Estate") of Jennie A. Santamaria aka Jennie A. Anderson ("Debtor"), on the one hand, E&N Financial Services & Development, Inc. ("E&N") and 36 Van Nuys LLC ("36 Van Nuys"), on the other hand (the aforementioned parties together shall be collectively referred to herein as the "Parties" and individually as "Party").

I. RECITALS

This Agreement is made by the Parties, with reference to the following facts:

1.1 The Debtor commenced a Chapter 11 bankruptcy case by filing a voluntary petition on April 21, 2011 in the United States Bankruptcy Court for the Central District of California, Los Angeles Division ("Bankruptcy Court") as Case No. 2:11-bk-27348-BB ("Bankruptcy Case"). The Debtor's Chapter 11 case was converted to Chapter 7 case on July 5, 2012.

1.2 Sam S. Leslie is the duly appointed, qualified and acting Chapter 7 Trustee for the Debtor's bankruptcy estate.

1.3 In or around 2000, the Debtor purportedly created the 1976 Dorchester Trust dated September 5, 2000 ("Trust"). The Trust purchased the real property located at 617 Bedford Drive, Beverly Hills, CA ("Bedford Property") on or about December 7, 2006.

1.4 On May 5, 2006, E&N filed a complaint ("Complaint") in the Los Angeles Superior Court against Mark Anderson, the Debtor's husband ("Mr. Anderson") for various breach of contract and fraud related causes of action, commencing Case No. LC074590. The Debtor was not named in the Complaint. On June 12, 2007, a money judgment was entered in favor of E&N and against Mr. Anderson only ("Money Judgment").

1.5 On July 12, 2007, E&N filed its First Amended Complaint in the Los Angeles County Superior Court against Mr. Anderson and the Debtor, both individually and in her capacity as trustee of the Trust, for creditor's suit and to set aside a fraudulent transfer ("Creditor Complaint"), commencing Case No. SC094371. On June 27, 2007, E&N recorded a lis pendens against the Bedford Property relating to the Creditor Complaint.

1.6 On January 8, 2010, the Court entered judgment ("Creditor Judgment") in favor of E&N and against Mr. Anderson, the Debtor and the Trust, stating that Mr. Anderson has a "community property interest" in the Bedford Property and that such interest shall be applied to satisfy the earlier Money Judgment. On May 11, 2010, E&N filed an abstract of judgment relating to the Creditor Judgment.

///

1.7 On September 27, 2011, E&N filed a proof of claim with the Bankruptcy Court which is shown on the Bankruptcy Court's docket alleging a secured claim in the amount of \$1,091,119.70 ("E&N Claim"). The E&N Claim is not listed on the Bankruptcy Court's Claims Register but is indicated on the Bankruptcy Court's docket as Document No. 49. The basis for the E&N Claim is the Money Judgment and the Creditor Judgment.

1.8 On November 18, 2013, the Trustee filed a motion to disallow the E&N Claim ("Claim Objection"). The Court denied the Claim Objection pursuant to an order entered on February 26, 2014, at least in part, on the grounds that the Bedford Property is community property. The Parties agree that the debt owed to E&N is a separate debt of Mr. Anderson.

1.9 On April 3, 2014, the Trustee filed a Motion to Approve Settlement and Compromise of Disputes by and Between Chapter 7 Trustee and E&N Financial Services & Development, Inc. (Docket No. 350) ("E&N Settlement Motion"). The E&N Settlement Motion requested Court approval of the Settlement and Mutual General Release Agreement entered into between the Trustee and E&N dated March 10, 2014, a copy of which was attached to the E&N Settlement Motion ("E&N Agreement").

1.10 Among the terms of the E&N Agreement, the Parties agreed that E&N would have an allowed unsecured claim of \$393,000.00 against the Estate ("E&N Allowed Claim"). E&N further agreed that it would subordinate the E&N Allowed Claim in an amount necessary to allow a ten percent (10%) distribution to general unsecured creditors in the instant bankruptcy case, assuming there were funds to pay general unsecured creditors.

1.11 On May 19, 2014, the Court entered an order approving the E&N Settlement Motion (Docket No. 412).

1.12 On September 11, 2014, the Trustee's Final Report ("TFR") was filed (Docket No. 493). The TFR was scheduled for a hearing on October 29, 2014 at 2:00 p.m.

1.13 On October 13, 2014, counsel for E&N sent correspondence the Trustee's counsel alleging substantial assets and disturbing irregularities which were not disclosed in the Debtor's case and which E&N believed, when fully investigated, could result in substantially more undisclosed assets and possibly result in funds available for creditors of the Estate ("E&N Correspondence").

1.14 Pursuant to the E&N Correspondence, E&N provided the following list of alleged assets, and which E&N contends due to ongoing investigation may just be the tip of the iceberg, and those, plus any and all other assets which are, may or potentially may constitute property of the estate (collectively, "Undisclosed Assets"), including:

1.14.1 The September Trust, with assets of at least \$900,000.00, which is allegedly the Debtor's separate property.

1.14.2 The Debtor's interest as the sole Member of Harvest Worldwide, LLC, which is the Debtor's separate property and had a value of at least \$200,000.00 in 2003.

1.14.3 The Debtor's interest as the sole shareholder of Summitt Oil & Gas, Inc., which is the Debtor's separate property and had a value of at least \$200,000.00 in 2003.

1.14.4 Failure of the Debtor to disclose on her Schedules, Amended Schedules or otherwise 2011 gross receipts of \$100,941.00 and net income of \$49,640.00 from the September Trust. Debtor's original Schedules showed her income as "\$0.00" and although Amended Schedules filed in September 7, 2012 disclosed annual rental income of \$66,000.00 and "Support From Family" of \$84,000.00 per year, none of the income from the September Trust was disclosed.

1.15 The Trustee has been informed by the Debtor and her counsel that the Debtor denies owning any interest in the Undisclosed Assets.

1.16 The Trustee and his counsel have spent hours conducting an independent investigation into the existence and value of the Undisclosed Assets. The Trustee and his counsel are unable to conclude that the Undisclosed Assets have significant value worth administering at this time. Rather, they have concluded that it will take substantial time and resources to unwind the Estate's interest, if any, in the Undisclosed Assets in a manner that would benefit creditors of the Estate.

1.17 On October 15, 2014, E&N filed its Limited Opposition to Trustee's Final Report and Applications for Compensation and Deadline to Object ("E&N Limited Opp"). Pursuant to the E&N Limited Opp, E&N disputed the allowance and payment of Proof of Claim No. 11 filed by Deok Rye Yoon ("POC 11"). Other than its dispute regarding POC 11, E&N stated that it had no further issues with the TFR and believed that the payments to the Trustee and the professionals and the priority creditors was warranted and appropriate.

1.18 On October 29, 2014, the hearing on the TFR was held. The Trustee advised the Court of the information he had received regarding the Undisclosed Assets. The Court granted the TFR in part and approved fees and expenses for administrative claimants. The Court continued the hearing on the TFR to allow the Trustee to investigate the Undisclosed Assets and advise the Court regarding the status before the continued hearing. The Trustee provided the Court with an update and the hearing on the TFR was continued to June 17, 2015.

1.19 The Parties agree that it is in their best interest to resolve the E&N Allowed Claim and the Estate's interest in the Undisclosed Assets by way of settlement, rather than through litigation, and therefore it is their intention and desire at this time to settle in the manner and upon the terms and conditions set forth in this Agreement, it being specifically understood and agreed that any and all acts which are to be performed pursuant to this Agreement, are not to be and will not be construed in any way as a concession and/or admission by any of the Parties, of the truth of any of the allegations which have been made against any of the Parties.

///

///

1.20 The Parties desire to fully and completely settle all disputes, claims, demands and causes of action relating to the E&N Allowed Claim and the Estate's interest in the Undisclosed Assets which the Parties have, or may have, as to one another, including without limitation all matters arising out of or connected with, or incidental to any business dealings between them, up to and including the date of this Agreement, without limitation.

II. AGREEMENT

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the adequacy of which is hereby acknowledged by each Party, and in consideration of the mutual promises and covenants set forth below, the Parties agree as follows:

2.1 36 Van Nuy's Purchase of the Estate's Interest in the Undisclosed Assets. Subject to the terms and conditions of this Agreement, on the Closing Date (defined below), the Trustee shall sell, assign, transfer, convey and deliver to 36 Van Nuys, and 36 Van Nuys shall purchase, acquire and accept from the Trustee, all of the Trustee's rights, title and interest in the Undisclosed Assets as specified herein, as of the Closing Date.

2.1.1 Purchase Price. The purchase price which the Trustee agrees to accept and 36 Van Nuys agrees to pay for the Undisclosed Assets is the sum of Fifty Thousand Dollars (\$50,000.00) (the "Purchase Price"). The Purchase Price shall be paid as follows:

2.1.1.1 Concurrent with the execution of this Agreement, 36 Van Nuys shall pay to the Trustee, in immediately available funds, a good faith deposit of Five Thousand Dollars (\$5,000.00) ("Good Faith Deposit"). The Good Faith Deposit shall be made payable to "Sam S. Leslie, Chapter 7 Trustee for the bankruptcy estate of Jennie A. Santamaria" and shall be mailed to the attention of Sam S. Leslie, Chapter 7 Trustee, 3435 Wilshire Blvd., Suite 990, Los Angeles, CA 90010. The Good Faith Deposit shall be held by the Trustee and shall only be refundable if the Bankruptcy Court does not approve this Agreement or if there is a successful overbidder other than 36 Van Nuys. If the Bankruptcy Court approves this Agreement and 36 Van Nuys is the successful overbidder, the Good Faith Deposit shall become property of the Estate. If the Bankruptcy Court does not approve the Agreement, the Good Faith Deposit shall be immediately returned by the Trustee to 36 Van Nuys.

2.1.1.2 Within fourteen (14) days of the entry of the Approval Order, if 36 Van Nuys is the high bidder, 36 Van Nuys shall pay the Trustee the Forty-Five Thousand Dollars and No Cents (\$45,000.00) or the balance of the Purchase Price ("Purchase Price Balance"). The Purchase Price Balance shall be made payable to "Sam S. Leslie, Chapter 7 Trustee for the bankruptcy estate of Jennie Santamaria" and shall be mailed to the attention of Sam S. Leslie, Chapter 7 Trustee, 3435 Wilshire Blvd., Suite 990, Los Angeles, CA 90010.

2.1.2 Closing. The closing of the transactions contemplated by this Agreement (the "Closing Date") shall take place and become effective within fourteen (14) days after the Trustee's receipt of the Purchase Price Balance from 36 Van Nuys or the total price bid up by the Successful Bidder (defined below) or any back-up bidders. At the Closing Date, the Trustee will deliver to 36 Van Nuys, 6360 Van Nuys Boulevard, Suite 204, Van Nuys, CA 91401, a certified copy of the Order approving the Compromise Motion. The certified copy of the order shall effectuate the transfer. No other document shall be required.

2.1.3 As Is/Where Is. The Trustee shall sell, transfer, convey and deliver to 36 Van Nuys the Estate's interest in the Undisclosed Assets on an "As Is" and "Where Is" basis, without any representations or warranties of any kind, except as expressly set forth herein.

2.1.4 Further Amendment of the Debtor's Schedules. As part of this Agreement, the Trustee agrees to request that the Court determine that the Debtor is enjoined from amending her Schedules to list and exempt the Undisclosed Assets or any other assets that the Debtor has failed to list to date, all of which are being sold to 36 Van Nuys as part of this Agreement.

2.1.5 Application of the Debtor's Discharge Injunction. As part of this Settlement Agreement, the Trustee agrees to request that the Court determine that the Buyer will be free to pursue the collection of the Undisclosed Assets as the Debtor's discharge injunction will not apply to the Undisclosed Assets, and pursuing the investigation and collection of the Undisclosed Assets will not be a violation of the automatic stay or the discharge injunction.

2.1.6 Subject to Overbids. In order to obtain the highest and best offer for the benefit of the creditors of the Estate, the sale of the Estate's interest in the Undisclosed Assets shall be subject to the following overbid terms:

2.1.6.1 Potential overbidders must bid an initial amount of at least \$15,000.00 over the Purchase Price or **\$65,000.00**. Minimum bid increments thereafter shall be \$1,000.00. The Trustee shall have sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2.1.6.2 Overbids must be in writing and be received by the Trustee and his counsel, Rika M. Kido of Shulman Hodges & Bastian LLP **three (3) business days prior to the hearing on the Compromise Motion (defined below)**.

2.1.6.3 Overbids must be accompanied by a deposit ("Overbidder Deposit") in the form of certified funds in the amount of at least Sixty-Five Hundred Dollars (\$6,500.00) payable to Trustee.

2.1.6.4 The overbidder must also provide evidence of having sufficient specifically committed funds to complete the transaction for the bid amount and such other documentation relevant to the bidder's ability to qualify as the buyer and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

2.1.6.5 The overbidder must seek to acquire the Estate's interest in the Undisclosed Assets on terms and conditions not less favorable to the Estate than the terms and conditions to which 36 Van Nuys has agreed to purchase the Estate's interest in the Undisclosed Assets in the Agreement.

2.1.6.6 If one or more overbids are received, the final bidding round for the Estate's interest in the Undisclosed Assets shall be held at the hearing on the Compromise Motion (defined below) in order to allow all potential bidders the opportunity to overbid and purchase the Estate's interest in the Undisclosed Assets. At the final bidding round to be conducted before the Bankruptcy Court, the Trustee will seek entry of an order, *inter alia*, authorizing and approving the sale of the Estate's interest in the Undisclosed Assets to the bidder who the Trustee, in the exercise of his business judgment, may determine to have made the highest and best offer to purchase the Estate's interest in the Undisclosed Assets, consistent with the Bidding Procedures ("Successful Bidder"). The hearing on the Compromise Motion may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the hearing on the Compromise Motion.

2.1.6.7 At the hearing on the Compromise Motion, the Trustee will seek entry of an order, *inter alia*, authorizing and approving the sale of the Estate's interest in the Undisclosed Assets to the Successful Bidder. The hearing on the Compromise Motion may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the hearing on the Compromise Motion.

2.1.6.8 In the event the Successful Bidder fails to close on the sale of the Estate's interest in the Undisclosed Assets within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's Deposit and will be released from his obligation to sell the Undisclosed Assets to the Successful Bidder and the Trustee may then sell the Undisclosed Assets to the first back-up bidder approved by the Court at the hearing on the Compromise Motion ("First Back-Up Bidder").

2.1.6.9 In the event First Back-Up Bidder fails to close on the sale of the Undisclosed Assets within the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's Deposit and will be released from his obligation to sell the Estate's interest in the Undisclosed Assets to the First Back-Up Bidder and the Trustee may then sell the Estate's interest in the Undisclosed

Assets to the second back-up bidder approved by the Court at the hearing on the Compromise Motion ("Second Back-Up Bidder").

2.1.7 Breakup Fee. In the event that the Bankruptcy Court enters an order approving an offer to purchase the Estate's interest in the Undisclosed Assets submitted by a party other than 36 Van Nuys, the Trustee shall pay to 36 Van Nuys an amount equal to Fifteen Thousand Dollars (\$15,000.00) (the "Breakup Fee"), within fourteen (14) days after closing. The Breakup Fee will be made payable to "36 Van Nuys, LLC" and shall be mailed to the attention of William H. Brownstein, Esq., William H. Brownstein & Associates, Professional Corporation, 1250 Sixth Street, Suite 205, Santa Monica, CA 90401-1637. If the Bankruptcy Court does not approve the Agreement, the Trustee shall not be obligated to pay to 36 Van Nuys the Breakup Fee.

2.2 Waiver of the E&N Allowed Claim. So long as 36 Van Nuys is the successful bidder, E&N waives the E&N Allowed Claim and all further claims that it may have against the Estate.

2.3 Motion for Approval of Compromise and Sale. Upon receipt of a fully executed copy of this Agreement, all related documents and the Good Faith Payment, the Trustee shall promptly file a motion with the Bankruptcy Court to obtain approval of this Agreement ("Compromise Motion"). This Agreement is contingent upon and expressly conditioned on the issuance of an order by the Bankruptcy Court in the Chapter 7 case approving this Agreement pursuant to Federal Rules of Bankruptcy Procedure 6004 and 9019. Unless and until approved by the Bankruptcy Court, this Agreement set forth herein are of no force or effect whatsoever. The Parties acknowledge that this Agreement is the result of extensive good faith negotiations between the Parties and is not to be construed as an admission of liability on the part of any of the Parties hereto, their agents, employees or officers, by whom liability is expressly denied. The Parties are bound by this Agreement subject only to Bankruptcy Court approval and waive any right to object to approval by the Bankruptcy Court.

2.4 Jurisdiction of the Bankruptcy Court. Should any dispute arise regarding this Agreement, the United States Bankruptcy Court for the Central District of California, Los Angeles Division, shall have exclusive jurisdiction to determine the same. The Bankruptcy Court shall retain jurisdiction to resolve any such dispute even after the case is dismissed.

2.5 Trustee Capacity. The Trustee is signing this Agreement in his capacity solely as Chapter 7 Trustee for the Estate. Nothing contained herein shall in any way impute liability to the Trustee, personally or as a member of any professional organization, or anyone acting on his behalf, including but not limited to his counsel, Shulman Hodges & Bastian LLP.

2.6 Further Documentation of Settlement. The Parties agree that after the Court approves the Compromise Motion, they will execute any and all further and additional documents and take all further and additional steps, which may be necessary or convenient to consummate the terms of this Agreement, including ensuring good and marketable title, and accomplish the purposes thereof.

2.7 Releases. The Parties agree to be bound by the releases set forth below.

III. RELEASES

3.1 Except as otherwise provided in this Agreement and subject to Bankruptcy Court approval, the Trustee, both in his individual capacity and in his capacity as the Chapter 7 trustee of the Debtor's Estate, and his heirs, spouses, offspring, executors, administrators, insurance companies, predecessors, successors, assigns, agents, servants, employees, corporations, officers, directors, partnerships, partners, associates, attorneys, representatives, principals, joint ventures, parents, trustees, subsidiaries, shareholders, past and present, or anyone else claiming by and through them, do hereby acknowledge full and complete satisfaction of and do hereby fully and forever release and discharge E&N, as well as its administrators, predecessors, successors, assigns, agents, servants, employees, corporations, insurance companies, officers, directors, partnerships, partners, associates, attorneys, representatives, principals, joint ventures, parents, trustees, subsidiaries, shareholders, past and present, and each of them, from any and all claims, demands and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, whether concealed or hidden, which the Trustee now owns, holds or may hereafter have against E&N, by reason of any matter relating to the Bankruptcy Case.

3.2 So long as 36 Vans Nuys is the successful bidder, 36 Van Nuys and E&N, on behalf of themselves, their administrators, insurance companies, predecessors, successors, assigns, agents, servants, employees, corporations, officers, directors, partnerships, partners, associates, attorneys, representatives, principals, joint ventures, parents, trustees, subsidiaries, shareholders, past and present, or anyone else claiming by and through them, do hereby acknowledge full and complete satisfaction of and do hereby fully and forever release and discharge the Trustee, both individually and in his capacity as the Chapter 7 trustee of the Debtor's Estate, as well as his heirs, spouses, offspring, executors, administrators, predecessors, successors, assigns, agents, servants, employees, corporations, officers, directors, partnerships, partners, associates, attorneys, representatives, principals, joint ventures, parents, trustees, subsidiaries, shareholders, past and present, and each of them, from any and all claims, demands and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, whether concealed or hidden, which E&N and 36 Van Nuys now own, hold or may hereafter have against the Chapter 7 trustee of the Debtor's Estate, by reason of any matter relating to the Bankruptcy Case.

3.3 It is a condition hereof, and it is the intention of the Parties in executing this Agreement and in giving the releases set forth herein, that the same shall be effective as a bar to each and every claim, demand, and cause of action, matter or thing specified; and in furtherance of this specific intention, the Parties hereby expressly waive any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California Civil Code which provides:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected this settlement with the debtor."

3.4 The Parties represent and warrant that they have been advised to seek advice from independent legal counsel of their own choosing regarding this Agreement and its terms and language, and understand and acknowledge the significance and consequence of these releases, and the specific waiver of Section 1542, and the Parties, and each of them, expressly consent that this Agreement and the releases set forth herein shall be given full force and effect according to each and all of their express terms and provisions, including those relating to unknown and unsuspected claims, demands and causes of action, if any, as well as those relating to any other claims, demands and causes of action herein above specified.

IV. REPRESENTATION AND WARRANTIES

4.1 The Parties hereto, and each of them, separately represent and warrant to each other that they have not heretofore assigned or transferred, or purported to assign or transfer, to any other person or entity any claim or other matter herein released.

4.2 The Parties hereto, and each of them, separately represent and warrant to each other that they will execute all documents necessary to carry out the purpose of this Agreement and to cooperate with Plaintiff in the expeditious filing of any and all documents and the fulfillment of the terms of this Agreement.

4.3 The Parties hereto hereby warrant and represent that each and every recital and representation contained herein is true and correct to the best of their knowledge.

4.4 The Parties hereto hereby warrant and represent that he or she has been duly authorized to execute this Agreement and to undertake the obligations contained herein.

4.5 The Parties represent that they fully understand their right to discuss all aspects of this Agreement with their own attorneys, that they have carefully reviewed and fully understand all of the provisions of this Agreement, and that they are voluntarily entering into this Agreement.

4.6 The Parties to this Agreement shall bear their own costs, expenses, and attorneys' fees, whether taxable or otherwise, incurred in or arising out of or in any way related to the matters released herein.

V. MISCELLANEOUS

5.1 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the Parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, terms, conditions and representations, written or oral, made by any of the Parties or their agents, concerning the matters covered by this Agreement.

5.2 Modification and/or Amendment. This Agreement may be amended and modified only by a written agreement signed by all of the Parties specifically acknowledging and approving of the modification.

5.3 Execution of Documents. Each Party agrees to execute all documents necessary to carry out the purpose of this Agreement and to cooperate with the other in the expeditious filing of any and all document and the fulfillment of the terms of this Agreement.

5.4 Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon the Parties, and each of them, and their respective successors, assigns, heirs, partners, agents, officers, corporations, partnerships, partners, shareholders, representatives, and each of them.

5.5 Controlling Law and Mediation. This Agreement has been entered into in the State of California and this Agreement, including any rights, remedies, or obligations provided for thereunder, shall be construed and enforced in accordance with the laws of the State of California. Any dispute arising out of this Agreement shall be referred to the Bankruptcy Court for the Central District of California mediation panel.

5.6 Severability. If any immaterial provision of this Agreement is held, determined or adjudicated to be invalid, unenforceable or void for any reason, each such provision shall be severed from the remaining portions of this Agreement and shall not affect the validity and enforceability of such remaining material provisions.

5.7 Effect of Headings. The titles and headings of this Agreement are for convenience and identification only, and shall not be deemed to limit, amplify, or define the contents of the respective sections or paragraphs to which they pertain.

5.8 Gender. Whenever in this document the context may so require, the masculine gender shall be deemed to include the feminine and neuter genders, and vice-versa.

5.9 Recitals. Each term of this Agreement is contractual and not merely a recital.

5.10 Construction. This Agreement has been negotiated at arm's length between persons (or their representatives) sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law (including California Civil Code, Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it, is not applicable and is hereby waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the Parties and this Agreement.

5.11 Effective Date of this Agreement. This Agreement consisting of eleven pages (11) is executed and entered into as of the date(s) below in the State of California and, when executed by all Parties and counsel as provided herein, shall be effective as of said date.

5.12 Counter-parts. This Agreement may be executed in one or more Counter-parts (multiple signatures) each of which shall be deemed an original, and all of which constitute one and the same instrument.

5.13 Attorneys' Fees. All Parties shall bear their own attorneys' fees and costs. In the event any claim, dispute and/or litigation arises out of this Agreement, the prevailing party shall be entitled to recovery of its attorneys' fees and costs incurred in prosecuting or defending said claim, dispute and/or litigation.

BY SIGNING THIS AGREEMENT WHERE INDICATED BELOW I CERTIFY THAT I HAVE READ THE FOREGOING AGREEMENT IN ITS ENTIRETY, INCLUDING CIVIL CODE SECTION 1542 QUOTED IN THE BODY OF THIS AGREEMENT, THAT I FULLY UNDERSTAND ALL THE WORDS, LANGUAGE, TERMS AND CONDITIONS CONTAINED HEREIN AND THAT I AGREE TO BE BOUND BY ALL THE TERMS AND CONDITIONS SET FORTH HEREIN.

Dated: March ___, 2015

Sam S. Leslie, solely in his capacity as the
Chapter 7 Trustee for the bankruptcy estate of
Jennie A. Santamaria aka Jennie A. Anderson

36 Van Nuys, LLC

Dated: March ___, 2015

By: Ahron Zilberstein
Manager

E&N Financial Services & Development, Inc.

Dated: March ___, 2015

By: Ahron Zilberstein
Its: President

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE.]

APPROVED AS TO FORM:

SHULMAN HODGES & BASTIAN

Dated: March ___, 2015

Leonard M. Shulman
Lynda T. Bui
Rika M. Kido
Attorneys for Trustee, Sam S. Leslie

**WILLIAM H. BROWNSTEIN &
ASSOCIATES, Professional Corporation**

Dated: March ___, 2015

William H. Brownstein
Attorneys for E&N Financial Services &
Development, Inc.

LAW OFFICES OF MARK A. GOODFRIEND

Dated: March ___, 2015

Mark A. Goodfriend
Attorneys for 36 Van Nuys, LLC

EXHIBIT 4

Rika Kido

From: Rika Kido
Sent: Tuesday, April 21, 2015 5:20 PM
To: 'William Brownstein'
Cc: Wilfred J. Killian, Esq.; Mark Goodfriend; Ahron Zilberstein; Lynda T. Bui; Anne Marie Vernon
Subject: RE: Santamaria

Thanks.

Rika Kido
Associate
rkido@shbllp.com
<http://www.shbllp.com>



Orange County - 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618, Phone: 949-340-3400 Fax: 949-340-3000
Inland Empire - 3750 University Avenue, Suite 670, Riverside, CA 92501, Phone: 951-275-9300 Fax: 951-275-9303

Follow us on Twitter! [Follow us on Linked In!](#) [Like us on Facebook!](#)

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, please be advised that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used or relied upon, and cannot be used or relied upon, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Confidentiality Notice: The information contained in this electronic e-mail and any accompanying attachment(s) is intended only for the use of the intended recipient and may be confidential and/or privileged. If any reader of this communication is not the intended recipient, unauthorized use, disclosure or copying is strictly prohibited, and may be unlawful. If you have received this communication in error, please immediately notify the sender by return e-mail, and delete the original message and all copies from your system. Thank you.

From: William Brownstein [mailto:brownsteinlaw.bill@gmail.com]
Sent: Tuesday, April 21, 2015 5:07 PM
To: Rika Kido
Cc: Wilfred J. Killian, Esq.; William Harold Brownstein; Mark Goodfriend; Ahron Zilberstein
Subject: Re: Santamaria

I agree with that plan of action. The client has represented that he will sign the agreement and send you the deposit.
I know he's tied up with a matter in Israel, not pleasure but business, and he is supposed to be back tomorrow.
Thank you.
Bill

On Tue, Apr 21, 2015 at 6:53 PM, Rika Kido <RKido@shbllp.com> wrote:

Hi Bill,

In light of your representation that your client intends to sign the settlement agreement and forward the deposit to the Trustee, we would like to file the settlement motion tomorrow so that we can keep the next available hearing date. We would then file a supplement immediately upon receipt of the executed agreement.

If you agree with the above plan of action, please let me know immediately.

Thank you,

Rika

From: William Brownstein [mailto:brownsteinlaw.bill@gmail.com]
Sent: Tuesday, April 21, 2015 11:17 AM
To: Rika Kido
Cc: William Harold Brownstein; Ahron Zilberstein
Subject: Re: Santamaria

He's expected to fly back from Israel tomorrow. Will remind him of the urgency of getting this to you.

Thanks.

Bill

On Tue, Apr 21, 2015 at 2:04 PM, Rika Kido <RKido@shbllp.com> wrote:

Hi Bill,

I just wanted to follow up with you again regarding the below. We have to file the settlement motion tomorrow to keep the first available hearing date in May. Please let me know as soon as possible the status of the agreement.

Thank you,

Rika Kido

Associate

rkido@shbllp.com

<http://www.shbllp.com>



Orange County - 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618, Phone: [949-340-3400](tel:949-340-3400) Fax: [949-340-3000](tel:949-340-3000)

Inland Empire - 3750 University Avenue, Suite 670, Riverside, CA 92501, Phone: [951-275-9300](tel:951-275-9300) Fax: [951-275-9303](tel:951-275-9303)

Follow us on Twitter!  [Follow us on Linked In!](#)  [Like us on Facebook!](#) 

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, please be advised that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used or relied upon, and cannot be used or relied upon, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Confidentiality Notice: The information contained in this electronic e-mail and any accompanying attachment(s) is intended only for the use of the intended recipient and may be confidential and/or privileged. If any reader of this communication is not the intended recipient, unauthorized use, disclosure or copying is strictly prohibited, and may be unlawful. If you have received this communication in error, please immediately notify the sender by return e-mail, and delete the original message and all copies from your system. Thank you.

From: Rika Kido
Sent: Thursday, April 16, 2015 9:32 AM
To: William Brownstein
Cc: Lynda T. Bui; Anne Marie Vernon
Subject: RE: Santamaria

Hi Bill,

I just wanted to check in with you regarding the below. Judge Bluebond only has two hearing dates available in May, so we would like to file the settlement motion as soon as possible so we're able to get one of those dates.

Thanks,

Rika Kido

Associate

rkido@shblp.com

<http://www.shblp.com>



***Effective February 2, 2015, our Irvine office address has changed to 100 Spectrum Center Drive, Suite 600, Irvine, CA 92618. Please note, this is an address change only and our office is not physically relocating.**

Orange County - 100 Spectrum Center Drive, Suite 600, Irvine, CA 92618, Phone: [949-340-3400](tel:949-340-3400) Fax: [949-340-3000](tel:949-340-3000)

Inland Empire - 3750 University Avenue, Suite 670, Riverside, CA 92501, Phone: [951-275-9300](tel:951-275-9300) Fax: [951-275-9303](tel:951-275-9303)

Follow us on Twitter! [Follow us on Linked In!](#) [Like us on Facebook!](#)

Confidentiality Notice: The information contained in this electronic e-mail and any accompanying attachment(s) is intended only for the use of the intended recipient and may be confidential and/or privileged. If any reader of this communication is not the intended recipient, unauthorized use, disclosure or copying is strictly prohibited, and may be unlawful. If you have received this communication in error, please immediately notify the sender by return e-mail, and delete the original message and all copies from your system. Thank you.

From: William Brownstein [mailto:brownsteinlaw.bill@gmail.com]
Sent: Friday, April 10, 2015 9:24 AM
To: Rika Kido; William Harold Brownstein
Cc: Ahron Zilberstein; Wilfred J. Killian, Esq.; Mark Goodfriend
Subject: Re: Santamaria

Yes. He's signing the agreement and sending the \$5000 deposit.

It is a Jewish holiday (Passover) and he's out of the office until Monday.

Bill

On Fri, Apr 10, 2015 at 9:05 AM, Rika Kido <RKido@shbllp.com> wrote:

Hi Bill,

Any word from your client?

Thanks,

Rika

From: William Brownstein [mailto:brownsteinlaw.bill@gmail.com]
Sent: Wednesday, April 1, 2015 1:02 PM
To: Rika Kido
Cc: Wilfred J. Killian, Esq.; Mark Goodfriend; William Harold Brownstein
Subject: Re: Santamaria

Send it to the client again and asked for an answer. Will get back to you as soon as I hear.

Bill

On Wed, Apr 1, 2015 at 3:55 PM, Rika Kido <RKido@shbllp.com> wrote:

Hi Bill,

I just wanted to follow up with you regarding the below. Lynda said that she received a response from you to the below stating that you were waiting to hear back from your client. Is that still the status?

Attached for your convenience is the most recent version of the settlement agreement (from your last conference call with Lynda). Please review the attached and let me know if you have any revisions/comments.

If you have no revisions/comments, please let me know and I'll forward you a final PDF version for everyone's signature.

Thank you,

Rika

From: Lynda T. Bui
Sent: Thursday, March 26, 2015 12:25 PM
To: William Brownstein
Cc: Mark Goodfriend; Wilfred J. Killian, Esq.; Rika Kido; Anne Marie Vernon
Subject: Santamaria

Gentlemen –

It has been over *two* months since we last discussed the declaration from the Debtor as a solution to executing the agreement as is. Now that you are satisfied, we need the signed agreement so that we can attach to the 9019 Motion, which needs to be filed in the next week or so to keep our TFR date in June.

What is the ETA on the signed agreement? Your prompt attention to this matter is much appreciate it.

Regards,

Lynda T. Bui
Partner
lbui@shbllp.com
<http://www.shbllp.com>



*Please note, effective February 2, 2015, our Irvine office address will change to 100 Spectrum Center Drive, Suite 600, Irvine, CA 92618

Confidentiality Notice: The information contained in this electronic e-mail and any accompanying attachment(s) is intended only for the use of the intended recipient and may be confidential and/or privileged. If any reader of this communication is not the intended recipient, unauthorized use, disclosure or copying is strictly prohibited, and may be unlawful. If you have received this communication in error, please immediately notify the sender by return e-mail, and delete the original message and all copies from your system. Thank you.

--

WILLIAM H. BROWNSTEIN & ASSOCIATES,
PROFESSIONAL CORPORATION
1250 SIXTH STREET, SUITE 205
SANTA MONICA, CALIFORNIA 90401-1637
TELEPHONE: [\(310\) 458-0048](tel:310-458-0048) - FAX: [\(310\) 576-3581](tel:310-576-3581) - MOBILE/PAGER: [\(310\) 877-9882](tel:310-877-9882)

CIRCULAR 230 DISCLOSURE: Pursuant to Regulations Governing Practice Before the Internal Revenue Service, any tax advice contained herein, including attachments, is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of (i) avoiding tax penalties that may be imposed on the taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

The information contained in this electronic mail message is confidential information intended only for the use of the individual or entity named above, and may be privileged. The information herein may also be protected by the Electronic Communications Privacy Act, 18 USC Sections 2510-2521. If you received this in error please destroy it immediately.

Fair Debt Collection Practices Act NOTICE: Federal law requires us to notify you that this office is attempting to collect a debt. Any information obtained will be used for that purpose. All included information is proprietary and confidential and is for the use of the intended recipient only.

--

WILLIAM H. BROWNSTEIN & ASSOCIATES,
PROFESSIONAL CORPORATION
1250 SIXTH STREET, SUITE 205
SANTA MONICA, CALIFORNIA 90401-1637
TELEPHONE: [\(310\) 458-0048](tel:310-458-0048) - FAX: [\(310\) 576-3581](tel:310-576-3581) - MOBILE/PAGER: [\(310\) 877-9882](tel:310-877-9882)

CIRCULAR 230 DISCLOSURE: Pursuant to Regulations Governing Practice Before the Internal Revenue Service, any tax advice contained herein, including attachments, is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of (i) avoiding tax penalties that may be imposed on the taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

The information contained in this electronic mail message is confidential information intended only for the use of the individual or entity named above, and may be privileged. The information herein may also be protected by the Electronic Communications Privacy Act, 18 USC Sections 2510-2521. If you received this in error please destroy it immediately.

Fair Debt Collection Practices Act NOTICE: Federal law requires us to notify you that this office is attempting to collect a debt. Any information obtained will be used for that purpose. All included information is proprietary and confidential and is for the use of the intended recipient only.

--

WILLIAM H. BROWNSTEIN & ASSOCIATES,
PROFESSIONAL CORPORATION
1250 SIXTH STREET, SUITE 205
SANTA MONICA, CALIFORNIA 90401-1637
TELEPHONE: [\(310\) 458-0048](tel:3104580048) - FAX: [\(310\) 576-3581](tel:3105763581) - MOBILE/PAGER: [\(310\) 877-9882](tel:3108779882)

CIRCULAR 230 DISCLOSURE: Pursuant to Regulations Governing Practice Before the Internal Revenue Service, any tax advice contained herein, including attachments, is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of (i) avoiding tax penalties that may be imposed on the taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

The information contained in this electronic mail message is confidential information intended only for the use of the individual or entity named above, and may be privileged. The information herein may also be protected by the Electronic Communications Privacy Act, 18 USC Sections 2510-2521. If you received this in error please destroy it immediately.

Fair Debt Collection Practices Act NOTICE: Federal law requires us to notify you that this office is attempting to collect a debt. Any information obtained will be used for that purpose. All included information is proprietary and confidential and is for the use of the intended recipient only.

--

WILLIAM H. BROWNSTEIN & ASSOCIATES,
PROFESSIONAL CORPORATION
1250 SIXTH STREET, SUITE 205
SANTA MONICA, CALIFORNIA 90401-1637
TELEPHONE: (310) 458-0048 - FAX: (310) 576-3581 - MOBILE/PAGER: (310) 877-9882

CIRCULAR 230 DISCLOSURE: Pursuant to Regulations Governing Practice Before the Internal Revenue

Service, any tax advice contained herein, including attachments, is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of (i) avoiding tax penalties that may be imposed on the taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

The information contained in this electronic mail message is confidential information intended only for the use of the individual or entity named above, and may be privileged. The information herein may also be protected by the Electronic Communications Privacy Act, 18 USC Sections 2510-2521. If you received this in error please destroy it immediately.

Fair Debt Collection Practices Act NOTICE: Federal law requires us to notify you that this office is attempting to collect a debt. Any information obtained will be used for that purpose. All included information is proprietary and confidential and is for the use of the intended recipient only.